

04
THE RISING DRUG THREAT AND SOME RECENT
SUCCESSSES

Y 4.G 74/7:T 41

The Rising Drug Threat and Some Rec...

HEARING

BEFORE THE

SUBCOMMITTEE ON NATIONAL SECURITY,
INTERNATIONAL AFFAIRS, AND CRIMINAL JUSTICE
OF THE

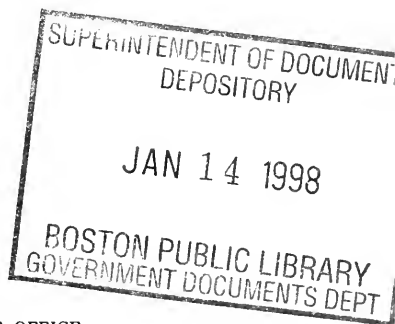
COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT HOUSE OF REPRESENTATIVES

ONE HUNDRED FOURTH CONGRESS

SECOND SESSION

JUNE 10, 1996

Printed for the use of the Committee on Government Reform and Oversight



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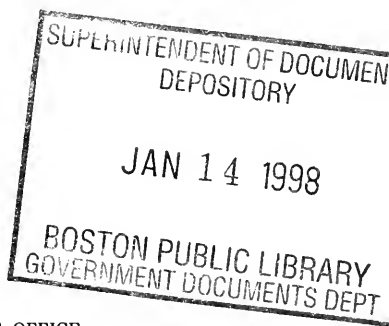
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THE RISING DRUG THREAT AND SOME RECENT SUCCESSES

MONDAY, JUNE 10, 1996

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON NATIONAL SECURITY, INTERNATIONAL
AFFAIRS, AND CRIMINAL JUSTICE
COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT,
Washington, DC.

The subcommittee met, pursuant to notice, at 9 a.m., aboard the U.S. Coast Guard Cutter *Courageous* (WMEC 622) San Juan, PR, Hon. J. Dennis Hastert (acting chairman of the subcommittee) presiding.

Representatives Present: Hastert, Mica, and Romero-Barceló.

Staff present: Robert Charles, staff director; Sean Littlefield, professional staff member; Jim Wilon, defense counsel; Judith McCoy, chief clerk; and Dan Hernandez, minority professional staff member.

Mr. HASTERT. The Subcommittee on National Security, International Affairs, and Criminal Justice will come to order.

I first want to say good morning to everybody here and to thank you all for coming this morning.

Before we begin to hear testimony from our distinguished witnesses today, I'd like to personally thank the Governor of Puerto Rico and the people of Puerto Rico for hosting this important congressional hearing. It's certainly a pleasure to be here, Governor. Thank you very much.

I'd also like to thank the U.S. Coast Guard for providing us with a perfect setting for this hearing on drugs, drug interdiction, and drug policy.

This particular Coast Guard Cutter is, as most of you know, part of the fleet that is actually out on the high seas daily, following intelligence cues, tracking, intercepting and boarding the vessels of narcotic traffickers.

The men and women of this vessel, like those throughout the region, were part of the U.S. Customs Service, DEA and other agencies, are on the front lines and we owe them a lot and I thank them for all they do.

Let me say that it's not by chance that we are in Puerto Rico. Governor Rosselló has shown a brand of leadership that is rarely seen. He has single-mindedly fought to turn back the rise of drugs and drug related crime in Puerto Rico. His efforts, personal conviction and perseverance have been watched by Congress, and are admired by those in both parties.

Moreover, the Governor of Puerto Rico is providing a new model for effectively combating what is fast becoming a most insidious national security threat.

As I think about all that the Governor has done and has accomplished here in Puerto Rico, and through the National Governors Association, I can tell you that I feel we have a great deal to be thankful for in this Governor's leadership.

Governor Rosselló's dedication shows that when community leaders, national leaders, Governors and Members of Congress, State and Federal agencies work together, we can, in fact, make a difference. And that is the one reason why we are here today, to learn and to listen, and to figure out how to do things better.

The other central reason that we are in Puerto Rico today is to highlight the serious increases in maritime drug trafficking that are occurring in the Eastern Caribbean, and find their way into Puerto Rico. According to the DEA, 26 percent of the drugs entering the United States come to Puerto Rico, and 80 percent of the drugs that reach Puerto Rico end up in the mainland.

The fundamental fact that we must confront is this; that America is under siege and we must be serious about winning the battle against illegal drugs, drug related crime and the Narco traffickers. I personally believe that we, as a Nation, have to begin recognizing the enormity of the problem that we are confronting. It's a direct attack on our society and it targets our children and our grandchildren.

Over the past 3 years, the United States has witnessed a 200 percent increase in drug use by children, kids, ages 8 to 17. Not coincidentally, availability has increased and the price of dangerous drugs has fallen by several magnitudes. At the same time, street purities of cocaine, heroin and marijuana, have all jumped markedly over the past 3 years. You can see the results in San Juan, in Chicago, in Washington, anywhere you go.

Last week, for the fourth year in a row, the Drug Abuse Warning Network, which collects emergency room data from across the Nation, reported record level emergency room admissions for cocaine, heroin, methamphetamines and THC or marijuana.

In 1995, overall drug related emergency room episodes jumped 12 percent. Cocaine related episodes leaped 21 percent. Heroin related episodes skyrocketed to 27 percent. THC or marijuana related emergencies, as a result of higher purities and the lacing of marijuana with PCP, were up 32 percent and methamphetamine emergencies were up 35 percent.

The sad part of this is that most of the new use is by kids. Supply and purity are so high and prices so low, that kids could buy or have pushed on them drugs that were unaffordable and unavailable 10 years ago. These drugs are destroying lives, mostly young lives in record numbers.

On top of this, the cost of drug abuse and drug related crime to our society is estimated to be somewhere between \$67 billion and \$425 billion annually. That cannot continue.

Now, I have heard those things and those people who say we cannot win. We cannot win the war or we cannot permanently disrupt the production and distribution of cocaine, heroin and marijuana. I'll be blunt. We cannot afford not to win.

We get our proper interagency coordination and we get proper funding. In fact, history shows us that excellent results are possible with the right priorities.

Former DEA Administrator and Federal Judge Robert Bonner, testified before this subcommittee that between 1985 and 1992, regular drug use fell by 80 percent, from 5.8 million to 1.3 million. Crack use declined from nearly a million in 1990 to just over 300,000 in 1992, and marijuana use plummeted from 22 million regular users in 1985, to 8.5 million in 1992, a 61 percent decrease.

Unfortunately, at the national level, we're still a long way from winning. Today, drug use is up for juveniles in every drug category, heroin, crack, cocaine, LSD, non-LSD hallucinogens, stimulants, inhalants, and marijuana. One in three high school seniors has smoked marijuana, a narcotic 25 times more potent than in the 1960's.

In 1994, 750,000 people, three-quarters of a million more teenagers use drugs than in 1992, reversing a decade long down trend.

In September of last year, the Justice Department released a study predicting that drug-related violent juvenile crimes will double by the year 2010, if we do not turn back now.

Let me close by saying that lack of funding is a part of the problem. In 1992, President Bush committed \$1.5 billion to drug interdiction. In 1993, the President cut \$200,000,000 out of the interdiction effort. The President wanted—well, Customs and other aircraft—removed intelligence assets and reduced cutters, ship days, flying hours and personnel. This subcommittee detailed much of this in our March, 1996 annual report.

Sadly, in 1994, the administration again cut drug interdiction by \$18 million, and in 1995 by another \$15 million. In the 1996 strategy released last month, President Clinton has put drug interdiction at a level still \$100 million below the 1992 level and source country programs \$123 million below the 1992 levels.

In my view, we have to get back to basics. Like it or not this is a war and it is a deadly war. It's also winnable, and I think that the dedication shown by Governor Rosselló and the people of Puerto Rico deserves enormous recognition.

I think you have a lot to teach us, Governor, and to do those things—who have been—and those folks who have been down here on the floor—on the war's front lines—and we're eager to hear their story.

I welcome all of you and I will now turn to my fellow Members for a brief opening. After that we will introduce our first witness for those who do not already know him, and we will begin our first panel. After that we will go to questions and then turn to our distinguished second and third panels.

I would like at this time to recognize Mr. Romero-Barceló.

Mr. ROMERO-BARCELÓ. Thank you, Mr. Chairman.

I'll say hello and welcome to our fellow Congressman, John Mica.

Thank you, Mr. Chairman and thank the committee. Thanks to John Mica, also, our fellow Congressman from Florida, for the interest that you have shown and the committee has shown in dealing with this extraordinary problem, this very serious problem of the drugs, particularly as it refers to Puerto Rico and the role that

Puerto Rico is now unfortunately playing in the interdiction of drugs into the Nation.

Presently, I also want to thank the Coast Guard and the Admirals here with us, Admiral Lloyd and Admiral Lockwood, for the support and their help in facilitating the holding of this hearing here today, and all of the other members of the Federal Government who are here with us and who have been doing an excellent job in the war on drugs here in Puerto Rico.

And I want to thank you, Mr. Chairman, for the recognition of the job that our Governor is—that Dr. Rosselló is doing—and the courageous job that he has been doing throughout these years to bring to focus the war on drugs here in Puerto Rico and the importance of doing something serious about it, and also his administration and all the members that deal with public safety in Puerto Rico who are also doing an excellent job, and everyone is very highly committed.

And, Mr. Chairman, I'd also like to point out that I'm very, very fortunate to be here today and I feel very—this is a great opportunity and at last I'm seeing the effort that should have been put into Puerto Rico for a long, long time.

When I was Governor of Puerto Rico, I tried to get going on a task force. It took me, ever since I—as a matter of fact, going back even further, when I was mayor of San Juan, I visited the U.S. Department of Justice, I visited the FBI, trying to explain to them that Puerto Rico is rapidly becoming a central point for drug interdiction and to bring drugs into the—Puerto Rico and into the Nation, but it was very difficult to get a hearing those days and to let people understand what was happening.

Finally, after the Pan-American Olympic—Pan-American games here in Puerto Rico, President Carter asked me, since they were so happy about the protection and the security measures that were taken here in Puerto Rico during the Pan-American games, they said what would I want to—what was the thing I would like the President to do for us in public safety. I said well, we'd like to get some kind of a task force to deal with drugs and organized crime in Puerto Rico. We started on that effort, but unfortunately, changes in administration here in Puerto Rico, who do not see the cooperation with the Federal Government as an important thing, for some reason or another, the whole thing kind of went sour and it did not continue the same way we would have liked it to have continued.

Dr. Rosselló came into office, then the whole thing has changed and now we have seen the Governor of Puerto Rico pursuing it very vigorously and also the Federal Government supporting, giving us the support that was so necessary.

And we hope that these hearings will help. It will focus on the importance of this issue, not only for us here in Puerto Rico, but also for the whole Nation. And the interest that you have shown and that all of the members of the committee and chairman of the committee, by scheduling this hearing is very, very important, and I'm sure that the testimony we'll hear today will help us make sure that the human resources and the financial resources available to the Federal agencies that are helping deal with this problem in Puerto Rico, not only not be reduced, but they should be increased.

We fear that perhaps in the atmosphere of the Congress now, where we are looking for reductions in all kinds of programs and looking for ways to balance the budget, that some of the important issues such as the war on drugs might be forgotten.

And before I finish I'd also like to bring forth and remind about some of the things that we have seen here in Puerto Rico.

The fact that we have made it an all out war against drugs and the Governor has been taking the lead on this war on drugs, has also motivated and stimulated many people to get involved, people who were not involved before.

And I'd like to quote an article or an editorial by M. Rosenthal from the New York Times, when he said that on the U.S. mainland it is becoming politically and fashionable to call the war on drugs the war on drugs, referring to those that would legalize the drugs.

And here we are not afraid to call it and the Governor has not been afraid to call this a war on drugs. I think this is a very important thing, because everyone is aware that if we want to do something, everyone has to participate, and that the more the people know about the difficulties and the problems with drugs, the much more efficient war we can be able to wage on them. We are at war with the drug dealers and with those that would ruin the lives of our children and our young men and women, and unless we do something very significant about it, the situation is not going to get any better, it's going to get worse.

So, once again, Mr. Chairman, I thank you for your interest and for your being here and the recognition that you have given to the Governor's and the administration's effort. Thank you very much.

Mr. HASTERT. Well, thank you, Congressman, and we're certainly honored to be in your home district and to see the great results and the great effort that's being done here, so thank you very much and thanks for being with us today.

Now I'd like to turn to my good friend, who represents the area of Orlando, FL, Mr. Mica, for an opening statement.

Mr. MICA. Thank you, Mr. Chairman, and I'm pleased to follow Carlos Romero-Barceló, who I've known in my two terms in Congress, and I don't think you could have a better representative in the U.S. Congress than Carlos, and I must also say his wife. They're two tireless champions of the interests of this Commonwealth and they work so well with so many people.

We had a chance to be here just a few months ago, and he personally took me around, and his wife, and they showed us some of the problems and needs of Puerto Rico, and sometimes Puerto Rico gets cast aside and lost, but again, you're so fortunate to have someone who works quietly and tirelessly on behalf of your interests.

Our subcommittee came here today, not to slash, burn, and criticize, but really to learn and to listen, and to see how we can assist, because the problems, as you heard the chairman in his opening statements, in San Juan, or Chicago, or Miami, are the same now with this situation, this drug situation.

Let me tell you, I just left my district, which is in central Florida, and I represent the area from Orlando to Daytona Beach, one of the most beautiful areas in the country. Let me tell you what I came home to on Thursday night, 13 year-olds hijacking cars, and

18 year-olds involved in two murders. These are two murders in my district, in a peaceful suburban neighborhood. An 8-month old who was abused and bones broken in the arms and legs of an 8-month old. Two other murders.

I talked to my sheriffs, and my police chiefs, and everyone, and 70 percent of the people in our jails and prisons are there because of drug related crimes. So this problem isn't just in San Juan, this problem isn't just in Chicago or Washington, DC, where—since I've been elected, in 3½ years, there have been over 1,000 black males slaughtered on the streets of that city, 1,000 human being slaughtered in those 3½ years, between the ages of 14 and 45. This is a national epidemic.

Now you heard the chairman also cite the statistics of how this administration has downgraded the war on drugs, how the resources committed to this have been cut, have been purposely diverted. What we're here today and this morning to find out is, what we can do to restore our interdiction program.

We can't just put all the money and treatment, as some have said in this administration, we can't just be treating the wounded in this war, as I told some of you this morning as we had coffee. We have got to see what works.

The Governor and former Governor, have tried to institute programs here. We want to find out what works. And people who live in a housing project here should not live in hell. And the same thing is people who live in the best neighborhoods should not live in hell or in fear, and that's what this is all about. So we're here to hear about your successes and about how we can help you.

And I couldn't conclude my statement without saluting the men and women who serve us. We're going to hear from our Coast Guard people. These are the people that are on the front line facing this problem, our Customs officials, our DEA officials. Denny and I visited some of them in the jungles of Peru and Bolivia, and with their lives at risk, and Colombia and other parts.

But Puerto Rico cannot be the gateway for drugs that Mexico has turned into. We know that 70 percent of the drugs reaching the United States are going through Mexico, and Puerto Rico cannot be another gateway for the balance of the drugs, so we've got to find out what our people are doing. We've got to find out what resources they need, take them back and work with the other committees of Congress.

Again I thank the Customs folks, the DEA folks, the FBI, INS, Department of Defense personnel, the people of Puerto Rico and their leaders for the steps they have taken, and we're here this morning to hear from you and how we can help together and win this war.

Thank you.

Mr. HASTERT. Thank you, Mr. Mica.

At this point, I'd like to welcome Governor Pedro Rosselló of Puerto Rico.

As the Governor of Puerto Rico, Dr. Rosselló has mobilized National Guard units to collaborate with Federal agencies and State police in an aggressive crackdown on violent crime and narcotics traffic, and has reformed the education, health care and judicial systems of Puerto Rico.

Prior to his political career, Governor Rosselló had a successful career as a pediatric surgeon.

Governor, welcome. I would like to invite you to proceed with your opening remarks and note that the record will be kept open for the full text of your statement.

STATEMENT OF PEDRO ROSSELLÓ, GOVERNOR OF PUERTO RICO

Governor ROSSELLÓ. Thank you very much.

Chairman Hastert, thank you very much for this opportunity, a community of 3.7 million American citizens owes a debt of gratitude to you personally and to each of the other Members of Congress who accepted Chairman Bill Zeliff's invitation to participate in this hearing. We are very honored with your presence, and more than that, gratified that you have taken Puerto Rico into account in this war on drugs.

Congressman Mica, welcome to Puerto Rico again. It might not be a coincidence that nearly five centuries ago, the first Governor in Puerto Rico, embarked on a journey to Florida looking for the famed fountain of youth. This time we're not looking for the famed fountain of youth. We're looking for a solution to what really is the major threat to the Nation, and in this we look for your leadership also, in a symbolic trip that we make again, this sixth Governor of Puerto Rico to Florida.

To our Congressmen from Puerto Rico, Carlos Romero-Barceló, and I am very grateful for that characterization that you made of our very forceful Congressman, I differ from you in saying that he works quietly. I think most of the people in Puerto Rico will differ from you in that respect, but we're very proud of our Congressman, because he has been at the forefront of those battles that the people of Puerto Rico have undertaken.

Thank you very much to our Congressman Carlos Romero-Barceló. We're honored by your presence and we are grateful for your interest, and we welcome this opportunity to review with you how our community is making a significant contribution to the national well being by totally undertaking what could easily be characterized by some as a mission impossible.

For the record, my name is Pedro Rosselló. I hold the office of the Governor of Puerto Rico since January 1993. As was mentioned by Chairman Hastert, my professional career prior to 1993 was devoted entirely to medicine. I practiced and taught pediatric surgery. I administered public and private health care institutions. My experience in the field of law enforcement was nil.

As a candidate for Governor I proposed a sweeping program of health-care reform, together with dozens of initiatives designed to reinvent the public sector in order to re-empower the Puerto Rican people.

Nevertheless, none of those worthy programs occupied the top spot of my agenda. No, indeed there was something else that had to rank first. It had to rank first because it was the foremost priority of the people of Puerto Rico.

Four years ago, the people of Puerto Rico made it abundantly clear that the No. 1 priority in our platform and the No. 1 issue in our campaign had to be public safety.

Like it or not, the Governor we elected in 1992 was going to take office with an urgent, inescapable mandate, a mandate to exert decisive, relentless leadership as the commander-in-chief of a crusade against illegal drugs and against their constant companion, violent crime.

Our voters entrusted me with that mandate and I accepted it. And we set forth at once to carry out what until then had definitely borne all the earmarks of a mission impossible.

Four years later, our crusade is far from over. Still, it is a source of great encouragement that the patriotic efforts of thousands of dedicated public servants have met with so much success that a congressional subcommittee has traveled all the way from Washington, DC, to learn about our initiatives and their results.

And parenthetically, I might add that the vessel which is playing host to this hearing bears a very appropriate name, because it is there in a single word which describes perfectly the performance of those public servants and that word is courageous.

During the past years leading to 1993, Puerto Rico was gravely afflicted by an escalating epidemic of violent crime. The symptoms of that epidemic are familiar to all of us. They ranged from auto theft and burglary to armed robbery and homicide. The incidence of these type one, or major felonies, have been rising annually by an average of approximately 20 percent during the previous 4 years.

To the consternation of all, 480 people were murdered in Puerto Rico during 1989. By 1992, consternation had been replaced by shock, because in just 3 years, an already homicide toll nearly doubled, skyrocketing all the way to 864. Moreover, during the previous 10 years, incredible as though it may seem, half of all the households in Puerto Rico had been touched by violent crime.

Our society was sick, the symptoms were violence, and the diagnosis was drugs. Again, it was a type of situation which each of us at this hearing is by now all too familiar.

The players included: international trafficking networks, rolling in cash and armed to the teeth, that were willing and able, without the slightest hesitation, to annihilate anyone who got in their way, and that coupled with desperate young people addicted to drugs, who would do anything to obtain dollars required to get their next fixes. It was, and indeed it is, a deadly, costly and terrifying combination.

But why did Puerto Rico fall victim to this nightmare? And why did the problem turn so critical so suddenly, during the decade of the 1980's? The explanation is surprisingly simple.

Roughly 15 years ago, Florida was a smugglers' paradise. Miami was a Mecca for the cocaine cartels. Then the Federal Government got tough. It began pouring money, manpower, and sophisticated surveillance systems. South Florida was designated a High Intensity Drug Trafficking Area.

The smugglers got the message, yet they barely missed a beat. Uncle Sam squeezed the balloon. Instead of bursting, however, the balloon simply changed shape.

The smugglers abandoned Florida and began inserting their deadly cargoes into the U.S. market through a new transshipment point. That was here, Puerto Rico.

This fact is amply documented in an April 1996 report by the General Accounting Office. According to the GAO, Puerto Rico has become the entry point for 28 percent of the cocaine that reaches the United States. Puerto Rico thus, ranks only second to the Mexican Southwest border zone as a corridor for illegal narcotics traffic into the United States.

What's more, the drug cartels quickly realized, after setting up shop here, that from their perspective, Puerto Rico was even better than Florida. Here it would be more difficult for the local authorities to persuade Washington to mount a massive campaign, and we have words to that effect from our Congressman Carlos Romero-Barceló, because unlike Florida, Puerto Rico has no votes in Congress and no votes for President.

In that respect, Puerto Rico's situation is reminiscent of the 19th century wild west. Quite literally, due to our territorial status, we the people of Puerto Rico are separate and unequal.

Well, the traffickers were quick to seize upon that opportunity, and almost overnight, Puerto Rico found itself under siege, as the chairman has noted. To break that siege was a mission we accepted.

When my brand new administration's Public Safety Council began devising a plan of action, we made it a point to keep the balloon metaphor very much in mind. We realized that our adversary would be elusive. We realized that he would be resilient. We realized that if we neutralized him in one place, he would be back in business, somewhere nearby, almost immediately. We knew, too, that our adversary was as formidable as he was elusive.

If we were to detain, to defeat and destroy this adversary, we would need an immense concentration of assets, unprecedented tactics, a total, all out commitment, and the deployment of every available resource.

In other words, we realized that it was imperative to do more than merely mount a show of force by staging some sort of short term crackdown.

So after some deliberation we carefully studied and we reached a very different conclusion. That conclusion was the following: necessity dictated that we prepare ourselves to conduct the domestic law enforcement equivalent of unconventional warfare.

Having arrived at this decision, we promptly proceeded to lay the groundwork for precisely that type of campaign.

Item One: During the first days of my administration, I paid personal visits to Puerto headquarters of every Federal agency that is involved with law enforcement. My itinerary extended from the FBI and the Drug Enforcement Administration to the Coast Guard and the Customs Service, as well as several other agencies here in Puerto Rico.

I took that initiative so that the personnel of those agencies would clearly understand that we were deadly serious, and so they would know that they could depend at every moment upon the total and complete cooperation of our government.

Puerto Rico may be lacking in overt, tangible, political power at the Federal level, but be that as it may, I wanted our friends at the Federal agencies to comprehend 100 percent that we do possess

the will to fight the good fight shoulder to shoulder with our fellow citizens from all across the Nation.

Item Two: We substantially enhanced the size, skill and morale of our police force. We upgraded their arsenal. We expanded their mobility, through the acquisition of new and better motor vehicles, boats and aircraft. We modernized their communications and their data processing infrastructure.

We forged an alliance with the John Jay College of the city of New York, to professionalize our police officers and to convert our police academy into the only one where every new officer now graduates with an associate degree in criminal justice.

We increased the salaries of our police officers and our correctional personnel, too, to levels never previously imagined, let alone achieved by any administration in Puerto Rico. We increased by 50 percent the roster of active duty police officers, and we created a police reserve force that has permitted us to augment even further the number of active duty officers who are directly patrolling our streets.

Item Three: Confronted as we were by a challenge of exceptional magnitude, we pushed the envelope by exploiting a resource of exceptional potential: by that I mean we enlisted the assistance of the Puerto Rico National Guard. That innovation would attract widespread attention from the news media and from Government officials all across America.

You will be hearing more about the role of our State militia, from members of my cabinet, in a few minutes.

Before moving on, though, I want to underscore that we have faithfully complied, at every moment, with the regulations of the National Guard Bureau at the Pentagon. None of our troops ever takes the place of a police officer in apprehending suspects, conducting searches, or otherwise intervening with our civilian population.

On the contrary, the sole functions of the National Guard with respect to this venture are to provide logistic support and security for conventional law enforcement personnel.

Item Four: We created a Quality of Life Congress, encompassing 18 agencies within the Government of Puerto Rico that are concerned with the social well being of families and communities.

We perceived the Quality of Life Congress to be an indispensable adjunct to our men and women in uniform, precisely because of the unconventional nature of the campaign we were waging.

It was a campaign that would have to be implemented in three phases, the reason being that the residents of each besieged community would require not only a rescue, but also a restoration, and then a re-empowerment process that would put them back in control of their own destiny.

Vital to the restoration and re-empowerment phases would be the expertise of the agencies comprising the Quality of Life Congress.

So it was that months of preparation laid the groundwork for Operation Centurion, which got under way 3 years ago this past week, on June 4, 1993.

In a few moments, three outstanding members of my cabinet will provide you with a more detailed summary of the methodology we

are utilizing to rescue, restore and re-empower Puerto Rican communities.

During the remainder of my time, therefore, I shall share with you a few of the data that explain how this island territory in the Caribbean Sea has found its way into the national spotlight; data that have elicited generous praise for Puerto Rico's courageous crime fighters, from Attorney General Janet Reno and numerous other Federal officials, as well as from such prominent journalists as syndicated columnists Abe Rosenthal and Georgie Anne Geyer.

Over 23,000 families in 78 neighborhoods have, to date, been rescued from the agony of being virtually held hostage by drug lords or their brutal henchmen. And let me hasten to add that none of those 78 neighborhoods was a "slam-dunk" target area: for instance, an area consisting of luxury condominiums, surrounded by security guards, where danger lurked out on the street only, and only in the wee hours of the morning.

No, the neighborhoods that were rescued have been some of Puerto Rico's most defenseless communities; indeed, virtually all of them are public housing projects.

As a matter of fact, our unrelenting assault on the merchants of death has now liberated 45 percent of all the housing project residential units in Puerto Rico.

We have seized 35,000 unregistered firearms.

We have confiscated more than 12 tons of cocaine.

We have recovered more than \$16 million in cash that had been in the possession of drug traffickers.

We have deactivated some 250 "retail outlets," where motorists could drive right up and purchase controlled substances.

We have taken 1,400 suspects into custody.

We have brought about an abrupt halt to the spiraling increase in type one felonies.

Cumulative data, up to the month of May, show that violent crimes in 1996 were down 37 percent from their 1992 level. More impressive yet, the rate of decrease is accelerating, as evidenced by the fact that the most recent year-to-year decline, that is from May 1995 to May 1996, was more than 20 percent.

What this has produced for your fellow citizens in Puerto Rico, is a 3-year improvement that can be quantified as the following: 300 fewer vehicle thefts every month; 900 fewer robberies every month; 900 fewer burglaries every month; plus a long overdue measure of blessed relief from anxiety, fear, dread and despair.

Having said that, though, I must quickly acknowledge that the "bottom line" has yet to be determined. However, in presenting this "interim report," I can state with conviction that the patient has been stabilized. We still face a very serious situation, but the prognosis is now much more promising.

And we owe a lot to the Federal Government. Congress and the agencies it oversees have, as this hearing eloquently illustrates, collaborated superbly to support our efforts.

To cite a few examples: At our request, Puerto Rico and the U.S. Virgin Islands have been designated as a High Intensity Drug Trafficking Area.

We have also requested, competed for, and acquired additional resources made available under the Violent Crime Control and Law Enforcement Act of 1994.

Together with the Customs Service, we recently launched Operation Gateway, which is aimed at eliminating, during the next 2 years, the use of Puerto Rico as a point of entry for drug trafficking into the United States.

And, less than a month ago, the Attorney General of Puerto Rico was a member of the United States delegation in Bridgetown, Barbados, at a United Nations International Drug Control Program regional meeting on drug control cooperation in the Caribbean Basin.

Little by little, it has become apparent that the Nation has taken note of the gravity of the crisis with which we in Puerto Rico have been obliged to contend. And at the same time, it has likewise become apparent that the U.S. Government and the American media have become aware that the people of Puerto Rico are assuming a creative, construction leadership role in the national battle against illicit drugs and violent crime.

That battle, Mr. Chairman, is far from over. This hearing is being conducted on the front lines of that battle.

The Coast Guard is on the front lines and many other Federal institutions are also, as you mentioned, on the front lines. And we the people of Puerto Rico are right there alongside with them.

So long as our Nation remains committed to this crusade, so shall we, because our motto in Puerto Rico is, *Se Puede*; and the meaning of *Se Puede* is, "We can do it!"

Thank you very much, Mr. Chairman.

[The prepared statement of Governor Rosselló follows:]

Statement by
The Honorable Pedro Rosselló

Governor of Puerto Rico



Presented at a hearing on the subject of
PUERTO RICO: THE RISING DRUG THREAT AND SOME RECENT SUCCESSES

Conducted by the
Subcommittee on National Security, International Affairs, and Criminal Justice
of the
Committee on Government Reform and Oversight
of the
United States House of Representatives

Aboard the U.S. Coast Guard Cutter COURAGEOUS (WMEC 622)
San Juan, Puerto Rico
June 10, 1996

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Chairman Hastert, a community of 3,700,000 American citizens owes a debt of gratitude to you and to each of the other members of Congress who accepted Chairman Bill Zeff's invitation to participate in this hearing. We are honored by your presence; we are grateful for your interest; and we welcome this opportunity to review with you how our community is making a significant contribution to the national well-being, by boldly undertaking what could easily be characterized by some as a "mission impossible."

For the record, my name is Pedro Rosselló; I have held the office of Governor of Puerto Rico since January 1993.

My professional career, prior to 1993, was devoted entirely to medicine. I practiced and taught pediatric surgery; I administered public and private health-care institutions; my experience in the field of law-enforcement was nil.

As a candidate for Governor, I proposed a sweeping program of health-care reform, together with dozens of other initiatives designed to reinvent the public sector in order to empower the Puerto Rican people.

Nevertheless, none of those worthy programs occupied the top spot on my agenda. No, there was something else that had to rank first. It had to rank first because it was the foremost priority of the people of Puerto Rico.

Four years ago, the people of Puerto Rico made it abundantly clear that the number-one priority in our platform -- and the number-one issue in our campaign -- had to be public safety.

Like it or not, the Governor we elected in 1992 was going to take office with an urgent, inescapable mandate: a mandate to exert decisive, relentless leadership as the commander-in-chief of a crusade against illegal drugs -- and against their constant companion, violent crime.

Our voters entrusted me with that mandate. I accepted it. And we set forth at once to carry out what until then had definitely borne all the earmarks of a "mission impossible."

Four years later, our crusade is far from over. Still, it is a source of great encouragement that the patriotic efforts of thousands of dedicated public servants have met with so much success that a Congressional subcommittee has traveled all the way from Washington, D.C. to learn about our initiatives and their results. And, parenthetically, I might add that the vessel which is playing host to this hearing bears a very appropriate name; because if there is single word which perfectly describes the performance of those public servants, that word is "COURAGEOUS."

During the years leading up to 1993, Puerto Rico was gravely afflicted by an escalating epidemic of violent crime. The symptoms of that epidemic are familiar to us all: they ranged from auto-theft and burglary to armed-robbery and homicide. The incidence of these "Type One" felonies had been rising annually, by an average of 20%, during the previous four years.

To the consternation of all, 480 people were murdered in Puerto Rico during 1989. By 1992, consternation had been replaced by shock: because, in just three years, an already-alarming homicide toll nearly doubled -- skyrocketing all the way up to 864. Moreover, during the previous ten years -- incredible though it seems -- half of all the households in Puerto Rico had been touched by violent crime.

Our society was sick; the symptoms were violence; and the diagnosis was drugs.

Again, it was a type of situation with which each of us at this hearing is, by now, all too familiar. The players included...

- international trafficking networks, rolling in cash and armed to the teeth, that were willing and able -- without the slightest hesitation -- to annihilate anyone who got in their way; coupled with
- desperate young people, addicted to drugs, who would do anything to obtain the dollars required to get their next fixes.

It was -- and is -- a deadly, costly and terrifying combination.

But why did Puerto Rico fall victim to this nightmare? And why did the problem turn so critical so suddenly, during the decade of the 1980s?

The explanation is surprisingly simple.

Roughly 15 years ago, Florida was a smugglers' paradise. Miami was a Mecca for the cocaine cartels.

Then the Federal Government got tough. It began pouring in money, manpower and sophisticated surveillance systems. South Florida was designated a High Intensity Drug Trafficking Area.

The smugglers got the message -- yet they barely missed a beat. Uncle Sam had squeezed the balloon; instead of bursting, however, the balloon simply changed shape.

The smugglers abandoned Florida and began inserting their deadly cargoes into the United States market through a new transshipment point.

Here.

(This fact is amply documented in an April 1996 report by the General Accounting Office: according to the GAO, Puerto Rico has become the entry-point for 28% of the cocaine that reaches the United States; Puerto

Rico thus ranks second only to the Mexican-Southwest border zone as a corridor for illegal narcotics traffic into the United States.)

What's more, the drug cartels quickly realized -- after setting up shop here -- that, from their perspective, Puerto Rico was even better than Florida: here, it would be more difficult for the local authorities to persuade Washington to mount a massive campaign, because -- unlike Florida -- Puerto Rico has no votes in Congress and no votes for President.

In that respect, Puerto Rico's situation is reminiscent of the 19th-century Wild West: quite literally, due to our territorial status, *We the People of Puerto Rico* are separate and unequal.

Well, the traffickers were quick to seize that opportunity. And, almost overnight, Puerto Rico found itself under siege.

To break that siege was the mission we accepted.

When my brand-new administration's Public Safety Council began devising a plan of action, we made it a point to keep the "balloon" metaphor very much in mind. We realized that our adversary would be elusive; we realized that he would be resilient; we realized that if we neutralized him in one place, he would be back in business -- somewhere nearby -- almost immediately. We knew, too, that our adversary was as formidable as he was elusive.

If we were to detain, defeat and destroy this adversary, we would need:

- an immense concentration of assets;
- unprecedented tactics;
- a total, all-out commitment; and
- the deployment of every available resource.

In other words, we realized that it was imperative to do more than merely mount a show of force by staging some sort of short-term crackdown.

So, after somber deliberation and careful study, we reached a very different conclusion.

That conclusion was the following: necessity dictated that we prepare ourselves to conduct the domestic law-enforcement equivalent of "unconventional warfare."

Having arrived at this decision, we promptly proceeded to lay the groundwork for precisely that type of campaign.

✓ ITEM ONE. I paid personal visits to the Puerto Rico headquarters of every Federal agency that is involved with law-enforcement. My itinerary

extended from the FBI and the Drug Enforcement Administration, to the Coast Guard and the Customs Service, as well as several other agencies. I took that initiative so that the personnel at those agencies would clearly understand that we were deadly serious, and so they would know that they could depend at every moment upon our total and complete cooperation. Puerto Rico may be lacking in overt, tangible political power at the Federal level, but – be that as it may – I wanted our friends at the Federal agencies to comprehend 100% that we do possess the will to fight the good fight, shoulder to shoulder with our fellow citizens from all across the Nation.

√ ITEM TWO. We substantially enhanced the size, skill and morale of our police force. We upgraded their arsenal. We expanded their mobility, through the acquisition of new and better motor vehicles, boats and aircraft. We modernized their communications and their data-processing infrastructure. We forged an alliance with the John Jay College at the City University of New York, to professionalize our police officers and to convert our police academy into the only one where every new officer now graduates with an associate degree in criminal justice. We increased the salaries of our police officers (and our corrections personnel) to levels never previously imagined – let alone achieved -- by any administration in Puerto Rico. We increased by 50% the roster of active-duty police officers, and we created a Police Reserve force that has permitted us to augment even further the number of active-duty officers who are directly patrolling our streets.

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of Life Congress to be an indispensable adjunct to our men and women in uniform, precisely because of the unconventional nature of the campaign we were waging. It was a campaign that would have to be implemented in three phases -- the reason being that the residents of each besieged community would require not only a rescue, but also a restoration, and then a re-empowerment process that would put them back in control of their own destiny. Vital to the restoration and re-empowerment phases would be the expertise of the agencies comprising the Quality of Life Congress.

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In a few moments, three outstanding members of my Cabinet will provide you with a detailed summary of the methodology we are utilizing to rescue, restore and re-empower Puerto Rican communities.

During the remainder of my time, therefore, I shall share with you a few of the data that explain how this island territory in the Caribbean Sea has found its way into the national spotlight; data that have elicited generous praise for Puerto Rico's courageous crime-fighters from Attorney General Janet Reno and numerous other Federal officials -- as well as from such prominent journalists as syndicated columnists Abe Rosenthal and Georgie Anne Geyer.

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And we owe a lot to the Federal Government. Congress and the agencies it oversees have, as this hearing eloquently illustrates, collaborated superbly to support our efforts.

To cite only a few examples,

- At our request, Puerto Rico and the United States Virgin Islands have been designated as a High Intensity Drug Trafficking Area.
- We have also requested, competed for, and acquired additional resources made available under the Violent Crime Control and Law Enforcement Act of 1994.
- Together with the Customs Service, we recently launched Operation Gateway -- which is aimed at eliminating, during the next two years, the use of Puerto Rico as a point-of-entry for drug-trafficking into the United States.
- And, less than a month ago, the Attorney General of Puerto Rico was a member of the United States delegation in Bridgetown, Barbados, at a United Nations International Drug Control Programme Regional Meeting on Drug Control Cooperation in the Caribbean Basin.

Little by little, it has become apparent that the Nation has taken note of the gravity of the crisis with which we in Puerto Rico have been obliged to contend. And at the same time, it has likewise become apparent that the United States Government and the American media have become aware that

the people of Puerto Rico are assuming a creative, constructive leadership role in the national battle against illicit drugs and violent crime.

That battle, Mister Chairman, is far from over. This hearing is being conducted on the front lines of that battle.

- The Coast Guard is on the front lines.
- Many other Federal institutions are on the front lines.
- And *We the People of Puerto Rico* are right there alongside them.

So long as our Nation remains committed to this crusade, so shall we; because our motto in Puerto Rico is, *¡Se Puede!*; and the meaning of *¡Se Puede!* is, "We can do it!"

Thank you very much.

Mr. HASTERT. Well, thank you, Governor.

The April 1996 report that the Governor referred to, is available for anybody who wants it, over here on the table.

I also have to say, Governor, that your allusion of—or your illustration of tightening down a problem, of squeezing the balloon and not being able to break it, but if it bulges out someplace, we've seen this repeatedly, not just in the United States and the States itself, but also in the source countries and in the transit area as well.

For instance, in Peru, where they've done a very good job of air interception, now the whole transit area, of course, is going out through a riverine system, and evidently a lot of it comes this way.

So we understand that the gravity, that we just can't solve one problem, but we need to be very, very adept at solving new problems as they come about.

I'd like to ask you, Governor, the Subcommittee on National Security, International Affairs, and Criminal Justice, on May 23, 1996, held the hearing where Admiral Robert Kramek, Commander of the U.S. Coast Guard testified. His message was clear, with respect to drug interdiction efforts in the Caribbean—it's time to focus on Puerto Rico.

What do you, as Governor of Puerto Rico, propose to be the next step in a united effort, along with the U.S. Coast Guard, the DEA, Customs, FBI and others, to decrease Narco trafficking through Puerto Rico? How can this become a model for drug interdiction across the nation?

Governor ROSSELLÓ. Mr. Chairman, I did have the opportunity, also, to meet with Admiral Kramek in Washington, and fully support his statement.

We feel that, as you have mentioned, one of the important factors is the allotment of more resources. This is based on the premise that this is a controllable problem. If you start from the premise that this is not controllable, then there would be no reason to allocate more resources.

We feel that the experience in different places has shown very clearly that the allocation of sufficient resources has a very positive result in combating the flow of illegal narcotics.

It is true that maybe because of what some might conceive as priorities along the Southwest border of the United States, resources were allocated in a priority fashion to that area. That, on the other hand, shows very clearly, using the same constructional balloon, that as those efforts are being more and more effective as they were in Florida or in the Bahamas, that the drug traffickers look for other areas.

We feel that in Puerto Rico, that attention of the drug traffickers is centered now, because once they come here and once they enter Puerto Rico, they essentially are within the United States and its Customs barriers.

Only 10 percent of the drug that comes to Puerto Rico remains here. It causes havoc on our people, but 90 percent of it goes to the rest of the United States, and we feel that this is a national threat, not only a threat to Puerto Rico.

To respond to your question, we feel that the initiative that has been taken by Congress, declaring Puerto Rico a High Intensity Drug Trafficking Area, adds to our capability. The newly estab-

lished Operation Gateway with Customs again adds to our capability, but we feel that as you mentioned, resources are still below the level that they should be.

This is not an impossible mission. I think this is a possible mission, but it requires a lot of commitment and it requires a lot of resources.

Mr. HASTERT. Thank you, Governor.

Now I'd like to ask our good friend, the Representative for Puerto Rico, Mr. Romero-Barceló.

Mr. ROMERO-BARCELÓ. Governor, I want to congratulate you on the excellent statement and I'm taking the liberty to take some parts of your excerpt from your statement and Dear Colleague letters distributed around Congress and write to the agencies to highlight some of the things that you mention here.

Governor ROSSELLÓ. Thank you.

Mr. ROMERO-BARCELÓ. I think it's important for the Congress to know the things that are being done and the achievements that are in Puerto Rico because of your strong efforts on the war on drugs and the war on crime.

Governor, I just would like to say, if you were asked today, what are the three most important, in terms of priority, things that the Federal Government can do to help Puerto Rico in the efforts that we're—that we're carrying on to eliminate the interdiction through Puerto Rico or at least reduce it substantially to controllable levels, what would be those three things that you would ask for?

Governor ROSSELLÓ. I would ask first, at the national level, that the agencies that are charged with law enforcement, particularly in Puerto Rico, the agencies that are given the responsibility to fight the illegal entry of drugs, be called the DEA, Customs, the FBI, other agencies that have those primary responsibilities, be recognized as important and be given the resources which they now do not have; that the level of commitment be increased. That would be the first type of help that we would ask for.

I must say that we have to see this process as one which is additive. We have seen some steps in that direction, but again, as you have mentioned in your opening statements, we need to have more effort and more resources.

Second, I think I would ask that Congress and the Federal Government look at Puerto Rico as an important player at the international level.

When we're talking about the problem of drugs, it's not a problem that we can simply control within our borders. We have to realize that the division, traditional division of so-called responsibility with a drug problem, dividing countries into those that produce the drug, those that are transshipment points and those that are consumers of the drugs, that division is artificial.

We feel that Puerto Rico has the capability of joining forces with the Federal Government in attempting to implement effective means throughout the American Hemisphere in the interdiction and in the lowering of the production of drugs.

We recently had a summit here on drugs and crime in Puerto Rico, and it is interesting to note that countries that traditionally have thought of this problem as not their own, countries that thought themselves maybe transshipments points, like Panama;

the President of Panama was here and said that that's a totally fallacious premise. Anywhere that drug trafficking is in play will corrupt the government and will corrupt society. So nobody can feel free from that influence.

We also had the President of Senate from Bolivia, a drug producing country, who also said that the concept was not valid anymore.

We want Puerto Rico to be recognized as an important ally, as an important player, in trying to extend our efforts beyond the borders of the United States.

And third, I would say the resources that our Government requires at the local level. We have, in essence, re-established our priorities in Puerto Rico.

As you know, Congressman, public safety is our top priority and if we look at the budgeting priorities, we have seen that in these 4 years, the law enforcement agencies will have essentially a nearly doubling of their budget. That would be an extreme help for us, to have additional resources, in addition to the cooperation that we will have with the Federal agencies.

Mr. ROMERO-BARCELÓ. Thank you very much, Governor.

Mr. HASTERT. Now I'd like to ask the gentleman from Florida, Mr. Mica, to take questions.

Mr. MICA. Thank you, Governor. I appreciate also your analogy of Ponce de Leon coming to Florida. I guess, together, our mission is to try to save the youth—

Governor ROSSELLÓ. That's right.

Mr. MICA [continuing]. And not drink the water.

We appreciate what you have done and, again, part of our mission is to find out where we can put resources. We're trying to get back to the 1992 levels of funding that you heard the chairman talk about. But you still have—and correct me if I'm wrong—did you say 26 percent of the drugs entering the mainland are count—was that a 1995 figure?

Governor ROSSELLÓ. That's in the GAO report, April 1996.

Mr. MICA. So even though you are able to stem some of the domestic activity and the violence here, and institute some programs and housing projects, the shipment, transshipment is still a tremendous problem.

Governor ROSSELLÓ. Absolutely.

Mr. MICA. If you had your choice of solutions in trying to resolve that—now you said we need to help all of these folks—is there any one agency that commands particular attention or some deficit that you've noticed?

Governor ROSSELLÓ. Well, we feel that, for example, the Coast Guard, which is an important player in this war against crime and the interdiction, we feel that, compared to the responsibility they have—and we've discussed it; I have every 3 months a meeting with the heads of the Federal agencies here in Puerto Rico—I feel the Coast Guard, for example, is one that could use additional funding, because they have a very wide area to cover.

A lot of the—as you mentioned, a lot of transshipment now is maritime and so, therefore, we need a bigger presence. I don't think that has been the direction that this has been going in the past few years. And in Puerto Rico, although we've had assurances from the head of the Coast Guard here in Puerto Rico, we feel that

that's an area where they could get more support and more resources.

Mr. MICA. We have been. The report, as you mentioned, 70 percent of the drugs entering the United States go through Mexico—

Governor ROSSELLÓ. Yes.

Mr. MICA [continuing]. And we've got 26 percent coming through here. I mean it's pretty identifiable, plus we don't have the enforcement authority or ability around Mexico, where we can cooperatively work with you and interdict drugs.

One of the other things that this report outlines is that drug prosecutions have dropped 12 percent in the last 3 years in the United States. And I guess with the number of people that you've arrested, your prosecution has increased?

Governor ROSSELLÓ. Yes, it has increased significantly; and not only the arrests, the prosecutions have also increased substantially.

Mr. MICA. So basically, rather than a policy of sort of just say maybe, you've—you're saying zero tolerance in your streets, in your housing authorities, and your interdiction policy, you're recommending the same, that we increase our resources rather than decrease them.

Governor ROSSELLÓ. Yes. We've—for example, our correctional system is under a court case and obviously one of the reactions that you could have would be, let's hold off on the arrests and let's hold off on the prosecution. We have said that that is not the answer, that is not the solution.

We have expanded our correctional facilities. We have utilized maybe again, on conventional methods, we have increased our capacity by—rapidly by privatizing and allowing private correctional facilities to be established in Puerto Rico.

We've, in these 3 years, will have increased nearly 40 percent our capacity by entering into that type of agreement with the private sector.

So essentially, our answer has been not to say we have a problem here on our correctional site and, therefore, let's put off a little bit of the pressure on the prosecution side. We've said no, there's carte blanche on the prosecution side and you will hear from some of our chiefs of agencies that will testify to that effect. That is our policy.

As you mentioned no tolerance; we don't feel that it is an appropriate response to say that because this is a tough problem, that we should legalize it. As a medical doctor, I've seen the destruction that drugs cause on youngsters, whether they're legal or not and so that, for me, is not an answer.

Again, I think it's a solvable problem, but you have to be committed to it.

Mr. MICA. Well, we thank you for stabilizing the patient here, as you said, but we still have a lot of folks on the critical list in the States, and we want to work with you to try to help you continue your battle here, but we've got to hit this on all fronts as you can see by this report and by some of the testimony we're about to hear.

Governor ROSSELLÓ. Yes.

Mr. MICA. Thank you.

Governor ROSSELLÓ. Thank you.

Mr. HASTERT. Governor, we want to again thank you for your gracious hospitality and certainly your excellent testimony and the time that you've given us here today. We look forward to working with you and trying to, together, achieve the goals that you've set up.

Thank you very much.

Governor ROSSELLÓ. Thank you, Mr. Chairman.

Mr. HASTERT. I'd now like to welcome our second panel.

First of all, I'd like to welcome Mr. Pedro Toledo, who serves as Chief of Police for the Police Department of Puerto Rico.

In his position, he has orchestrated many successful measures to combat crime and drugs on the island. He is in charge of mobilizing the National Guard and public housing project, and in high crime private communities.

Mr. Toledo was the first Puerto Rican to be admitted to the Federal Bureau of Investigation Academy, and had practiced law for several years before being appointed to a progressively responsible post with the Police Department of Puerto Rico.

I'd also like to welcome Carlos Vivoni, as the Secretary of the Puerto Rico Department of Housing.

Mr. Vivoni has been responsible for the implementation of two new major development initiatives. Puerto's new Housing Program and the Quality of Life Congress, which have prompted a 500 percent increase in the development of new affordable housing projects. Secretary Vivoni has extensive experience in the private sector as well.

And finally, I would like to welcome Secretary Manuel Díaz-Saldaña. Secretary Díaz-Saldaña has served as a Puerto Rican Secretary of the Treasury since December 1992.

He has been responsible for the implementation of the new Internal Revenue Code, as well as the modernization of the Secretary Department's management and administrative systems.

Secretary Díaz-Saldaña is a CPA by profession and has designed several accounting systems for large private clients, Government agencies, and public corporations.

Let me ask, gentlemen, that you stand and raise your right hands.

[Witnesses sworn.]

Mr. HASTERT. Let the record show that the witnesses responded affirmative.

I would first like to ask Mr. Toledo if he would like to first give his testimony. I also understand that you have a very pressing engagement after this, and certainly would excuse you after your testimony. So would you please begin.

STATEMENTS OF PEDRO A. TOLEDO, SUPERINTENDENT OF POLICE, AND COMMISSIONER OF SAFETY AND PUBLIC PROTECTION; CARLOS VIVONI, SECRETARY OF HOUSING; AND MANUEL DÍAZ-SALDAÑA, SECRETARY OF THE TREASURY

Mr. TOLEDO. Thank you, Mr. Chairman.

Good morning, Congressman Mica, Governor Rosselló.

I want to thank you for giving me the opportunity to talk—to present to you some of our facts in our fight against crime and also

for giving me the opportunity to be the first one, so I can go to the graduation of the Police Academy.

Crime is an evil which affects complex societies and the American Continent has been one of its victims. Not only is Puerto Rico fighting crime within its boundaries, it has also joined forces with the Federal Government to curtail the effects that drug trafficking is having in the island and in the U.S. mainland.

Up until recent years, the production of drugs had been concentrated in a few countries. In our hemisphere, for example, countries like Mexico and Guatemala were basically the only producers of heroin. Today, the production of heroin has extended to Colombia, Ecuador and Peru among others.

The proliferation of producers has triggered the most sophisticated mechanisms of distribution; and in particular, the countries of the Caribbean basin have become the natural transshipment points for the transportation of drugs to the United States and Europe. Our island has become a major port of entry for drugs originating in South America and destined to the United States.

According to the DEA's most recent estimates, 7 tons of cocaine enter Puerto Rico on a monthly basis. At least 80 percent of that quantity is sent to the United States.

In Puerto Rico, we have experienced during recent years the rise of a criminal wave which is directly related to drug trafficking; 70 percent of the murders and homicides are drug-related.

This phenomenon can be explained by the numerous organizations that have sprung at the heels of large drug trafficking organizations. These organizations are dedicated to the smuggling and storage of drugs, as well as the laundering of money produced by their sale.

Each one of these criminal enterprises has established its operations in an area where drugs are sold, claiming control over the territory with its own set of rules. Violence is used as a way of operating and prevailing over the other groups.

I would like to mention some of the efforts in the law enforcement and judicial areas that are helping us to take our streets back from crime, gangs and drugs. The Rosselló administration has developed an aggressive interagency initiative to rescue public housing projects and economically depressed communities which had been seized by drug dealers. The initiative has three phases:

The initial stage is a takeover of the housing projects by the Puerto Rico Police and the National Guard. It is geared toward the elimination of drug selling points, the arrest of the drug distributors and the seizure of drugs, illegal weapons and stolen property. The area is rescued with law enforcement agents, National Guard agents, and access control and police stations are established.

The goal of the second stage is to restore self-confidence to these communities which had long been rejected by other segments of society and assist them in reclaiming their neighborhoods from the hands of drug-traffickers and criminals.

This phase involved the Quality of Life Congress, a consortium of 16 Government agencies with a social agenda that act upon the needs presented by the community leaders.

The third stage is called the empowerment stage. Its goal is to aid the residents in taking control of their communities. This is

achieved by a gradual pull out of the National Guard and the Police presence is reduced to a station onsite.

The local neighborhood leaders are in charge of giving continuity to the services of social advancement and economic development in each of these communities. During the last 3 years, we have rescued 80 communities.

Our problems with drugs and illegal weapons have also hit the schools of Puerto Rico. With the purpose of providing our children with a safe learning environment, we have created the Drugs and Guns Free School Zone Program. It's main goal is to eliminate those elements that affect children in our schools and their surroundings.

There are three basic elements to this program: education and prevention; security; and referral and treatment. Currently, 642 schools with 420,000 students are participating in this innovative program.

In addition to these multi-agency State initiatives, we have joined efforts with the Federal Government to fight drug trafficking. The designation of Puerto Rico and the Virgin Islands as High Intensity Drug Trafficking Area on November 2, 1994, has been one of the most significant achievements at a national level in our fight against drug trafficking.

This designation responds to the prominent role of Puerto Rico and the U.S. Virgin Islands as entry points in the transshipment of drugs to the United States. As a result of this designation, Puerto Rico and the U.S. Virgin Islands received \$9 million to enhance the efforts of Federal and State agencies in the fight against drugs, money laundering and violent crime.

This project has four objectives.

The first objective is to identify and dismantle organizations involved in drug trafficking at an international level or smuggling of drugs between Puerto Rico and the mainland; violent gangs dedicated to the distribution and sale of drugs in points established in our communities; and enterprises dedicated to money laundering.

Second, the zone establishes a collocated information and coordination center where Federal and State agencies gather and share information to assist us in our investigations.

As a third objective, the zone increases and enhances the seizure efforts in the ports around the island.

Last, but not least, this joint Federal-State program enhances the existing treatment and prevention initiatives in Puerto Rico and the U.S. Virgin Islands.

Another example of an effective antidrug multi-agency task force is the United Forces for Rapid Action (FURA). This is the largest working group dedicated to the investigation, detection and seizure of drugs along the coastline of Puerto Rico. It is integrated by the Police Department, the Drug Enforcement Administration, the National Guard, U.S. Customs and the U.S. Coast Guard. Members of FURA rely on specialized equipment and technology to detect ongoing drug smuggling operations.

Another anticrime initiative is the "Safe Streets Task Force," which is mainly composed of the FBI and the Puerto Rico Police. This task force investigates cases in which the victim is murdered,

injured or kidnapped through the use of a firearm, and when a criminal organization is suspected to be responsible for the crime.

Because of the high incidence of the smuggling of drugs and illegal firearms through our airports, we have implemented a system to inspect luggage in the three principal airports in the island. The implementation of this measure is being coordinated by an inter-agency committee composed of the Ports Authority, the Department of Justice, the Treasury Department and the Puerto Rico Police.

The mission of the Committee is to detect and eliminate the illegal weapons trade. X-ray machines are used to inspect luggage and cargo in flights between Puerto Rico and the U.S. mainland.

The Violent Neighborhood Task Force targets violent gangs that have taken over neighborhoods and housing projects for the purpose of engaging in drug trafficking. It is a joint effort of the U.S. Attorney's Office with the Safe Streets Task Force, the DEA, the SIB and the Puerto Rico Police Department.

With sophisticated surveillance equipment our agents have been able to gather extensive video and photographic evidence of gang activity, as well as conducting undercover drug buys.

It should be noted that Governor Pedro Rosselló has played a prominent role in the fight against crime. He personally directs the work of the Public Safety Council, which is composed by the heads of all State law enforcement agencies and meets on a weekly basis to discuss anticrime strategies and ensure there is the necessary interagency coordination to achieve positive results in our long-standing fight against crime.

Moreover, the Governor meets once every 3 months with all the heads of Federal law enforcement agencies in the island to promote cooperation between them and their local counterparts.

All these efforts have produced positive results in our fight against drug trafficking and we are continually evaluating additional strategies to coordinate our law enforcement efforts at all levels.

Although we have much more to do in Puerto Rico, throughout the Nation and the world, we are looking for every opportunity to recreate the roles that we play and strengthen our resolve to see ourselves as members of a massive national and international team, instead of a limited force solely responsible for waging the war against crime in our jurisdiction.

If we were to focus only on Puerto Rico, we will never have real success in our goal to win the war against crime. I do believe that if we make it our purpose to work together and wage this war as a team, all of us will see the result of our team efforts within our own jurisdiction as well as carrying this positive trend to the mainland.

Thank you.

[The prepared statement of Mr. Toledo follows:]

PUERTO RICO: THE RISING DRUG THREAT AND SOME RECENT SUCCESSES

Crime is an evil which affects complex societies and the American Continent has been one of its victims. Not only is Puerto Rico fighting crime within its boundaries, it has also joined forces with the Federal Government to curtail the effects that drug-trafficking is having in the Island and in the U. S. Mainland.

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homicides are drug-related. This phenomenon can be explained by the numerous organizations that have sprung at the heels of large drug trafficking organizations. These organizations are dedicated to the smuggling and storage of drugs, as well as the laundering of money produced by their sale. Each one of these criminal enterprises has established its operations in an area where drugs are sold, claiming control over the territory with its own set of rules. Violence is used as a way of operating and prevailing over the other groups.

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The goal of the Second Stage is to restore self-confidence to these communities which had long been rejected by other segments of society and assist them in reclaiming their neighborhoods from the hands of drug traffickers

and criminals. This phase involves the Quality of Life Congress, a consortium of 16 Government Agencies with a social agenda that act upon the needs presented by the community leaders.

The Third Stage is called the empowerment stage. Its goal is to aid the residents in taking control of their communities. This is achieved by a gradual pull out of the National Guard and the Police presence is reduced to a station on site. The local neighborhood leaders are in charge of giving continuity to the services of social advancement and economic development in each of these communities. During the last three years, we have rescued 80 communities.

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the prominent role of Puerto Rico and the U.S. Virgin Islands as entry points in the transshipment of drugs to the United States. As a result of this designation, Puerto Rico and the U.S. Virgin Islands received \$9 million dollars to enhance the efforts of Federal and State Agencies in the fight against drugs, money laundering and violent crime.

This project has four objectives. The first objective is to identify and dismantle organizations involved in drug trafficking at an international level or smuggling of drugs between Puerto Rico and the Mainland; violent gangs dedicated to the distribution and sale of drugs in "points" established in our communities; and enterprises dedicated to money laundering. Secondly, the zone establishes a collocated information and coordination center where Federal and States Agencies gather and share information to assist us in our investigations. As a third objective, the zone increases and enhances the seizure efforts in the ports around the Island. Last, but not least, this joint Federal-State program enhances the existing treatment and prevention initiatives in Puerto Rico and the U.S. Virgin Islands.

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team efforts within our own jurisdiction as well as carrying this positive trend to the Mainland.

Thank you.

Mr. HASTERT. Chief Toledo, I know you have to go.

Let me ask you one question and if any of our Members want to ask you a question before we take the other testimony.

You talk about screening and x-raying luggage as it leaves here, going on to the continental United States. What has been your success interdiction there?

Chief TOLEDO. We only screen the luggage from Puerto Rico to the mainland. We are also doing it from the mainland to Puerto Rico. This has been our biggest problem because of the agriculture laws. We have to check every luggage going to the mainland, but not from the mainland to Puerto Rico.

Now, with the help of the Treasury Department, we have been able to detect a number of weapons. Many weapons are being shipped through the airlines and also through the U.S. Post Office, which now we're trying to amend, trying to amend the laws so that we can x ray some of the luggage.

Mr. HASTERT. Have you had success interdiction?

Chief TOLEDO. Yes, we have, sir.

Mr. HASTERT. Thank you.

Mr. Romero.

Mr. ROMERO-BARCELÓ. It's difficult to separate interdiction with the use of drugs and the sale of drugs locally. And, one of the—of course, our main concern here, from the point of view of Puerto Rico, is also the use of drugs and the prevalence of the crimes that come with it.

How—with carjacking, which is one of the crimes that is most feared probably by—related to drugs by the regular citizen, the average citizen; they're very concerned about car-jacking—how related is carjacking to the use of drugs? Would you say that is most of the—carjacking crimes or all of the carjacking crimes, or do you have any statistics on that?

Chief TOLEDO. I will say that most of the carjackings are in some way related to drugs. It might not be a drug distributor organization, but it could be a drug user that needs the money to buy drugs. So I would say it's directly related, yes, sir.

Mr. ROMERO-BARCELÓ. What has happened since the carjacking became—it was legislated to be punishable by capital punishment?

Chief TOLEDO. I can give you numbers in 1992, there were 8,000—over 8,000 carjackings in Puerto Rico.

In 1995, last year, there were less than—I believe less than 3,000 carjackings, so we've seen a sharp decrease in carjackings since it was legislated as a Federal offense.

Mr. ROMERO-BARCELÓ. They were reduced by more than 50 percent.

Chief TOLEDO. Definitely, yes, sir.

Mr. ROMERO-BARCELÓ. In just 3 years.

Chief TOLEDO. In just 3 years.

Mr. ROMERO-BARCELÓ. So in this instance, at least, the crime—the punishment does affect—

Chief TOLEDO. Yes, sir.

Mr. ROMERO-BARCELÓ [continuing]. The crime.

Chief TOLEDO. In 1992, there were about 8,400. In 1993, it went down to 4,400. We had 4,000 carjackings less in 1 year.

Mr. ROMERO-BARCELÓ. How many convictions have you had in carjacking?

Chief TOLEDO. We've had a very high percentage of convictions, both in local and Federal court.

Mr. ROMERO-BARCELÓ. Thank you very much.

Mr. HASTERT. Mr. Mica, do you have any questions?

Mr. MICA. Mr. Toledo, a question about the cooperation from various U.S. agencies.

How would you describe cooperation and efforts of working together with U.S. agencies, any problems?

Chief TOLEDO. No, I think it's excellent.

I come from—I'm a former FBI Agent, retired from the FBI, and I would say this administration has had the best cooperation with the Federal agencies in the history of Puerto Rico.

Mr. MICA. One other question: it's been estimated there is something in the neighborhood of 50,000 Dominican nationals that have come here illegally.

Chief TOLEDO. That's true.

Mr. MICA. How do you deal with that problem? I understand they created their own drug assistance and drug transit active program.

Are you—do you have enough resources, USINS and others? Are these people remaining here and creating a problem that is expanding that—again on the transit side, what's the situation?

Chief TOLEDO. We're seeing that a greater participation on the illegal aliens in violent crimes. We're working very closely with the INS in this matter, but I do believe that they need additional resources to be able to handle all the problems.

Mr. MICA. Are you deporting these folks too, working with them, or are they—the other thing, too, we've started is sending some of the folks back because it's costly to incarcerate the nationals. Are we doing that? What's the status of that?

Chief TOLEDO. Well, here, you have to give them a hearing before you deport them, and it creates a problem with the accommodations. There are not enough facilities to handle all of these people, so—and the last time we had a big raid.

I understand the INS had to rent a plane to fly them to the Dominican Republic because there were no accommodations. So I think that they do need more resources.

Mr. MICA. This is an area we need to look at.

Chief TOLEDO. Yes, sir.

Mr. MICA. Thank you.

Mr. HASTERT. Thank you, I know you have a pressing engagement, so thank you very much.

Chief TOLEDO. Thank you.

Mr. HASTERT. Secretary Vivoni.

Mr. VIVONI. Thank you, Mr. Chairman, Chairman Hastert, Congressman Romero-Barceló, Congressman Mica. Good morning to all.

My name is Carlos Vivoni and I am the Secretary of the Puerto Rico Department of Housing.

It is a pleasure to appear before you today to discuss some of the efforts that are currently underway in Puerto Rico, to reduce illicit drug consumption and rebuild crime-ridden communities.

The Government of Puerto Rico is waging a battle against crime, as you have heard, that is as aggressive as it is unconventional.

The model designed and implemented by Governor Pedro Rosselló's administration reflects the inability of traditional law enforcement programs to contain the wave of violence that afflicted this island between the mid-eighties and early nineties. Based on the notion that crime in distressed communities is usually a manifestation of social and economic ills, a Community Rescue and Rebuilding Program was implemented.

Under this program, law enforcement efforts have been strengthened and combined with other infrastructure, social and economic development initiatives in order to combat drug traffickers, reduce drug consumption, and promote the renewal of distressed communities.

The housing department in Puerto Rico, an agency that may not be regarded in other jurisdictions, is playing a significant role in anticrime efforts, has indeed a pivotal role in this intervention model.

The Community Rescue and Rebuilding Program is implemented, as has been mentioned before, in three phases and relies on the intervention of numerous government agencies and other private and nonprofit organizations.

This effort requires a significant amount of coordination amongst Government entities, and seeks the physical, social and economic rebuilding of distressed and crime-ridden communities. The main features of this interventions program are: Phase I, the rescue component, in which the Puerto Rico Police, tactically backed by the Puerto Rico National Guard, enters crime and drug infested areas and secures the perimeter of a community.

Phase II, the restore or maintenance phase starts once law and order is re-established in that community, and then infrastructure agencies perform emergency repairs to problems such as collapsed sewer lines, damaged water or electrical connections at the same time that the Puerto Rico Department of Housing builds around the perimeter, a fence around the perimeter, and a guard house, at the community's main entrance.

The phase III, the empowerment phase, begins when repairs are done and the fence is completed, and when the National Guard is withdrawn and the police presence is reduced. It is then that a less visible, but perhaps more important effort is undertaken.

A 16 agency task force, headed by the Puerto Rico Department of Housing and known as the Congreso de Calidad de Vida, or Quality of Life Congress, begins working with community residents.

The Quality of Life Congress which coordinates all social and economic development programs from these agencies, the likes of the Puerto Rico Department of Health, Education, Labor, Social Service, Sports and Recreation, and several others, works with community leaders to develop a needs profile and a detailed work plan to address those very specific needs.

Puerto Rico's Community Rescue and Rebuilding Program has allowed synergy in service delivery and a much more effectiveness in the use of the State's limited resources. By focusing on the family, as opposed to focusing on specific programs, agencies that had tra-

ditionally worked independent of each other are now working in harmony and for the benefit of those in need of these services.

Since the first community was intervened on June 4, 1993, that is a little over 3 years ago, over 25,000 families in 78 communities have been impacted by this interventions model. Of those 78 communities, 72 are public housing developments in which 23,800 families, or 41 percent, of the island's public housing residents live.

With all the security concerns and the most pressing infrastructure needs addressed, the Quality of Life Congress has then been able to work with residents in a safe and secure environment in the implementation of initiatives that attend the most pressing problems in the community.

These problems, like unemployment, school dropout, drug addiction, domestic violence, child abuse, and other problems can now be treated without fear of violence.

This program, it must be noted, is based on the notion that resident involvement and accountability is key to eradicating crime from distressed communities. The Government basically becomes a facilitator of resources and a generator of opportunities for residents to improve their own standards of living.

To date, not only has crime in the intervened communities and in surrounding neighborhoods dropped significantly and in a sustained manner, but residents are also beginning to improve their living environments.

Over 4,900 formerly unemployed residents have been assisted by the Labor Department and are now working, close to 3,000 addicts are undergoing treatment in health department clinics, and over 2,800 dropouts are back in school, following the intervention of the Education Department.

The Puerto Rico Public Housing Administration, also a member of the Quality of Life Congress, has also assisted in the creation of 50 resident-owned corporations, including 12 resident management corporations that have been contracted by the Public Housing Agency to manage their own communities. Even the Puerto Rico Symphony Orchestra, which has also joined this effort, has organized three youth symphony orchestras for the benefit of more than 100 talented children that would have otherwise never been able to develop those hidden talents in classical music.

To conclude, Puerto Rico's Community Rescue and Rebuilding Program has begun the transformation of dozens of communities where law abiding citizens used to live in constant peril. Today, drug distribution "puntos" or centers are being replaced with areas of activity where residents can gather and interact. Basketball courts that were previously controlled by drug lords are now enjoyed by children who can freely move and play.

While there is still much work to be done, there is now in these communities, a sense of normalcy that had long disappeared.

In a December 31, 1995 front page story, the Boston Globe labeled this intervention's program, along with other privatization efforts, "the most ambitious experiment going on in American public housing . . ."

The Washington Post, in an editorial published on its May 19, 1996 issue, noted that "the Puerto Rican experiment is worth a good look by those who are dissatisfied with the status quo . . ."

With this program, old barriers of distrust and apathy are giving way to a renewed sense of pride and civic spirit in community participation.

Thank you for the opportunity to appear before this committee. Your support to this effort will not only assist us in continuing the rebuilding of our communities in distress, but will serve to improve living conditions for all the American citizens of Puerto Rico.

I will not be very happy to answer any questions that you may have.

[The prepared statement of Mr. Vivoni follows:]

**Statement of
Carlos J. Vivoni
Secretary
Puerto Rico Department of Housing
On
Puerto Rico: The Rising Drug Threat and Some Recent Successes
Before The
Subcommittee on National Security,
International Affairs, and Criminal Justice
United States House of Representatives
June 10, 1996**

Good morning, Mr. Chairman and distinguished members of this subcommittee. My name is Carlos Vivoni, and I am the Secretary of the Puerto Rico Department of Housing (PRDH). It is a pleasure to appear before you today to discuss some of the efforts that are currently underway in Puerto Rico to reduce illicit-drug consumption and rebuild crime-ridden communities.

The Government of Puerto Rico is waging a battle against crime that is as aggressive as it is unconventional. The model designed and implemented by Governor Pedro Rosselló administration reflects the inability of traditional law enforcement programs to contain the wave of violence that afflicted this Island between the mid eighties and early nineties. Based on the notion that crime in distressed communities is usually a manifestation of social and economic ills, a "Community Rescue and Rebuilding Program" was implemented. Under this program, law enforcement efforts have been strengthened, and

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June 10, 1996

Page 2

combined with other infrastructure-, social- and economic development initiatives in order to combat drug traffickers, reduce drug consumption, and promote the renewal of distressed communities. The housing department in Puerto Rico, an agency that may not be regarded in other jurisdictions as playing a significant role in anti-crime efforts, has a pivotal role in this intervention model.

The Community Rescue and Rebuilding Program is implemented in three phases and relies on the intervention of numerous government agencies and other private and non-profit organizations. This effort requires a significant amount of coordination amongst government entities, and seeks the physical, social and economic rebuilding of distressed and crime-ridden communities. The main features of this interventions program are:

- **Phase I - Rescue**: the Puerto Rico Police, tactically-backed by the Puerto Rico National Guard, enters crime- and drug-infested areas and secure the perimeter of a community;
- **Phase II - Maintenance**: once law and order is re-established, infrastructure agencies perform emergency repairs (to problems such as collapsed sewer lines, damaged water or electrical connections, etc.), at th

Puerto Rico: The Rising Drug Threat and Some Recent Successes
 June 10, 1996
 Page 3

around the perimeter and a guard house at the community's main entrance;

- **Phase III - Empower**: once repairs are done and the fence is completed, the national guard is withdrawn and the police presence is reduced. It is then that a less visible, but perhaps more important, effort is undertaken. A 16-agency task force headed by the PRDH, known as the *Congreso de Calidad de Vida* (or "Quality of Life Congress, QLC"), begins working with community residents. The QLC, which coordinates all social and economic development programs from these agencies (the likes of: Health, Education, Labor, Social Services, Sports and Recreation, and others), works with community leaders to develop a needs profile and a detailed work plan to address those very specific needs.

Puerto Rico's Community Rescue and Rebuilding Program has allowed synergy in service delivery and a much more effectiveness in the use of the state's limited resources. By focusing on the family, as opposed to focusing on specific programs, agencies that had traditionally worked independent of each other are now working in harmony and for the benefit of those in need of these services.

Program Results: Since the first community was intervened on June 4, 1993, over 25,000 families in 78 communities have been

Puerto Rico: The Rising Drug Threat and Some Recent Successes
June 10, 1996
Page 4

impacted by this interventions model (see Exhibit 1). Of those 78 communities, 72 are public housing developments in which 23,800 families (or 41% of Island public housing residents) live.

With all the security concerns and the most pressing infrastructure needs addressed, the QLC has then been able to work with residents - in a safe and secure environment - in the implementation of initiatives that attend the most pressing problems in the community: unemployment, school dropout, drug addiction, domestic violence, child abuse, and other problems can now be treated without fear of violence. This program, it must be noted, is based on the notion that resident involvement and accountability is key to eradicating crime from distressed communities. The government basically becomes a facilitator of resources and a generator of opportunities for residents to improve their own standards of living.

To-date, not only has crime in the intervened communities and in surrounding neighborhoods dropped significantly and in a sustained manner, but residents are also beginning to improve their living environments. Over 4,900 formerly unemployed residents have been assisted by the Labor Department and are now working, close to 3,000 addicts are undergoing treatment in Health Department clinics, and over 2,800 dropouts are back in school following the intervention of

Puerto Rico: The Rising Drug Threat and Some Recent Successes
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the Education Department. The Puerto Rico Public Housing Administration (PRPHA), also a QLC member, has also assisted in the creation of 50 resident-owned corporations (including 12 resident-management corporations that have been contracted by the PRPHA to manage their own communities), and even the Puerto Rico Symphony Orchestra, which has also joined this effort, has organized three youth symphony orchestras for the benefit of more than 100 talented children that would have otherwise never been able to develop those hidden talents in classical music (see Exhibit 2).

Conclusion: Puerto Rico's Community Rescue and Rebuilding Program has begun the transformation of dozens of communities where law-abiding citizens used to live in constant peril. Today, drug distribution "*puntos*" or centers are being replaced with areas of activity where residents can gather and interact. Basketball courts that were previously controlled by drug lords are now enjoyed by children who can freely move and play.

While there is still much work to be done, there is now in these communities a sense of normalcy that had long disappeared. In a December 31, 1995 front page story, The Boston Globe labeled this intervention program, along with other privatization efforts, "*the most ambitious experiment going on in American public housing...*" The

Puerto Rico: The Rising Drug Threat and Some Recent Successes
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Thank you for the opportunity to appear before this committee. Your support to this effort will not only assist us in continuing the rebuilding of our communities in distress, but will serve to improve living conditions for all the American-citizens of Puerto Rico.

I will now be very happy to answer any questions that you may have.

CONGRESO DE CALIDAD DE VIDA

Intervened Communities

(As of May 30, 1996)

Number of Interventions	59
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Number of Communities	78
Public Housing Projects	72
Section 8	3
Private Communities	2
Syndicate-CRUV	1

Number of Apartments	25,085
Public Housing Units	23,845
Section 8	486
Private Communities	530
Syndicate-CRUV	224

Population Impacted (Est.)	100,340
Public Housing Residents	95,380
Section 8	1,944
Private Communities	2,120
Syndicate-CRUV	986

% Public Housing Projects	
	21.5%
% Public Housing Units	
	41.5%
% Public Housing Population	
	41.5%

Exhibit 2

CONGRESO DE CALIDAD DE VIDA
MOST SIGNIFICANT ACHIEVEMENTS

(As of April 30, 1996)

- * dramatic & sustained reduction in crime
- * 4,904 new jobs
- * 2,975 addicts undergoing treatment
- * 2,837 dropouts back in school
- * 30,600 children in recreational activities
- * 24,278 residents having received health services
- * 870 child abuse cases under investigation
- * 49 new resident-owned corporations
- * 100 children in youth symphony orchestra
- * 6,572 mental health patients undergoing treatment

Mr. HASTERT. We'll defer and take the testimony of the Secretary of the Treasury of Puerto Rico, the Honorable Manual Díaz-Saldaña.

Mr. DÍAZ-SALDAÑA. Chairman Hastert and distinguished members of the Subcommittee on National Security. It is a pleasure to appear before this subcommittee to address the contribution of our agency to the joint Federal and State effort to eliminate the threat of illegal narcotics trade.

At the Puerto Rico Department of the Treasury, we recognize that the success of any effort to fight the illegal narcotics trade does not depend on the work of one single agency or the efforts of the Federal Government alone, but that it requires the vigorous participation of many agencies and the close collaboration of the State and local governments.

Drug trafficking organizations must be attacked at every level, from the street corner dealer to the drug kingpin. The contributions of the Department of the Treasury to fighting the illegal drug trade, focus on breaking the financial network used by the narcotics organizations and denying them the proceeds of their illegal activity, but it extends to other law enforcement efforts as well.

In collaboration with the U.S. Customs Service, the Puerto Rico Treasury Department leads a working group or task force dedicated to handle money laundering cases. The main purpose of this task force is to eliminate the illegal underground economy through which drug money finds its way into legitimate businesses and the acquisition of assets with an apparently legal source. Moreover, drug money provides criminals with the capital to finance drug purchases, buy the weapons with which they enforce their illegal enterprises, purchase the planes and fast boats used to smuggle the drugs and with which they even attempt to corrupt our democratic institutions of government.

By fighting tax evasion, the Puerto Rico Treasury Department not only deprives criminals of their ill-gotten profits, but also helps other law enforcement agencies to build investigations that lead to the top criminals by way of the money trail.

We have, therefore, sought to enhance our capacity to fight tax evasion through our collaboration with Federal agencies including an information exchange agreement with the Internal Revenue Service and an assistance agreement by which five agents of the U.S. Customs Service were assigned to our Department to help us revise our operational procedures and train our personnel.

In addition, while this subcommittee is in session, at this very moment, four of our Treasury agents are completing an international financial fraud training and four other agents are undergoing training in international computer evidence analysis at Glynco, GA.

Furthermore, our Department and the Department of Justice have recently signed an agreement with the U.S. Treasury Department to exchange information with the FINCEN, the Financial Crimes Enforcement Network. This office keeps information of suspicious banking and other financial transactions which the Puerto Rico Treasury Department can access to detect tax evasion, identify assets, track tax offenders, and obtain convictions.

Perhaps our participation in the High Intensity Drug Trafficking Area [HIDTA] and Gateway efforts are the best examples of the collaboration of the Puerto Rico Treasury Department with Federal agencies.

We have a number of agents assigned to HIDTA who work side by side with other local and Federal agents. And, as you are aware, Governor Rosselló signed an agreement with the U.S. Customs Service Commissioner Weise, by which the Government of Puerto Rico obligated a substantial amount of our limited budget to cover certain expenses of this initiative.

As a result, the U.S. Customs Service will increase the number of agents assigned to Puerto Rico and will make available additional resources to make this a successful operation. Although this project is on its early stages, everything seems to indicate that it will be highly beneficial.

The collaboration of our Department and Federal agencies is further demonstrated by the fact that we have 15 agents assigned to various task forces with the Drug Enforcement Administration, the Federal Bureau of Investigation and the U.S. Customs Service. And this effort continues. Today two auditors are being assigned to the DEA to provide technical support to the field agents in the development of their cases.

As a result of our administrative reform initiated in 1994, we established the Tax Evasion Bureau in February 1995, a trained criminal investigation division dedicated to detect, investigate and prosecute tax fraud and evasion. This Bureau has proven to be very effective. Almost all the cases that we have referred to the Department of Justice have resulted in a conviction.

Since the beginning of fiscal 1995-96, which is coming to an end this month, twelve convictions have been achieved, four cases are pending judicial determination, seven investigations have been completed and referred to the Justice Department, and 26 cases are under active investigation.

Through our administrative reform, we also changed the Department's organizational structure and reassigned resources to make available additional employees to law enforcement activities. And soon we will begin training all our professional employees in fraud detection.

Drug kingpins will find it more difficult to hide the profits of their crime when we complete installing a computer based taxpayer master file.

You can clearly see how this system will allow us to better detect illegally gained money.

In 1995, we held the first annual conference on tax evasion with the participation of various Federal and local agencies as well as members of the private sector.

In coordination with the Ports Authority, the Department of Justice, the State Police and Drug Enforcement Agency, our Excise Tax Bureau handles the Electronic Inspection Unit at our three international airports. These x-ray machines and other devices inspect luggage and cargo flights between Puerto Rico and the U.S. mainland.

During the current fiscal year, we have inspected 2,100 flights, more than 300,000 packages which has resulted in the occupation

of more than \$800 thousand in cash and close to 600 pounds of controlled substances.

In the same vein, the inspections made by the Treasury Department for the purpose of imposing duties on incoming cargo and packages have resulted in additional confiscations of cash, drugs and firearms.

You have already listened to the successes that have been achieved in cooperation with our State and Federal law enforcement agencies. I would like to conclude by saying that at the Puerto Rico Treasury Department, we are ready to share our experiences with the countries in the Caribbean Basin and South America and thereby assist the Federal Government in advancing the achievement of the international goals of the National Drug Control Strategy.

Because of its proximity, and cultural, economic, as well as historic ties, to the countries of Latin America and the Caribbean, Puerto Rico is ideally positioned as an idea vehicle through which the United States can provide training and technical assistance.

No other State government is as well positioned as Puerto Rico to provide a link between the domestic and the international components of the National Drug Control Strategy and contribute to a synergy between the two.

We thank Chairman Zeff, and thank you, Chairman Hastert and members of this subcommittee, for your interest in cutting the flow of illegal narcotics through and to Puerto Rico for our benefit and for the benefit of our Nation. It is an ambitious goal, but one that can be achieved with hard work, a good team effort, and the legislative will to provide the necessary resources to get the job done.

I am available to answer any questions that you may have.

Thank you.

[The prepared statement of Mr. Díaz-Saldaña follows:]

STATEMENT OF

**THE HONORABLE MANUEL DÍAZ SALDAÑA
SECRETARY OF THE TREASURY**

**BEFORE THE U.S. HOUSE OF REPRESENTATIVES
SUBCOMMITTEE ON NATIONAL SECURITY,
INTERNATIONAL AFFAIRS AND CRIMINAL JUSTICE**

**REGARDING THE RISING DRUG THREAT IN THE CARIBBEAN AND SOME
RECENT ACHIEVEMENTS OF THE GOVERNMENT OF PUERTO RICO**

JUNE 10, 1996

Chairman Hastert, distinguished members of the Subcommittee on
National Security, International Affairs and Criminal Justice,
Congressman Romero Barceló:

Good morning. My name is Manuel Díaz Saldaña. I am privileged
to hold the office of Secretary of the Treasury of Puerto Rico. It is a
pleasure to appear before this Subcommittee to address the contributions

of our agency to the joint federal-state effort to eliminate the threat of the illegal narcotics trade.

At the Puerto Rico Department of the Treasury we recognize that the success of any effort to fight the illegal narcotics trade does not depend on the work of one single agency or the efforts of the federal government alone but that it requires the vigorous participation of many agencies and the close collaboration of state and local governments.

Drug trafficking organizations must be attacked at every level from the street corner dealer to the drug kingpin. The contributions of the Department of the Treasury to fighting the illegal drug trade focus on breaking the financial network used by the narcotics organizations and

denying them the proceeds of their illegal activity but it extends to other law enforcement efforts as well.

In collaboration with the U.S. Customs Service, the Puerto Rico Treasury Department leads a working group or task force dedicated to handle money laundering cases. The main purpose of this task force is to eliminate the illegal underground economy through which drug money finds its way into legitimate businesses and the acquisition of assets with an apparently legal source.

Moreover, drug money provides criminals with the capital to finance drug purchases, buy the weapons with which they enforce their

illegal enterprises, purchase the planes and the fast boats used to smuggle the drugs and with which they even attempt to corrupt our democratic institutions of government.

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Through our administrative reform, we also changed the Department's organizational structure and reassigned resources to make available additional employees to law enforcement activities. And, soon we will begin training all our professional employees in fraud detection.

Drug kingpins will find more difficult to hide the profits of their crime when we complete installing a computer-based taxpayer master file which was custom-designed to meet the unique needs of Puerto Rico. When this process is completed we will have, for the first time, integrated the information of all the accounts of a taxpayer into a single file.

You can clearly see how this system will allow us to better detect illegally gained money.

In 1995, we held the first annual conference on tax evasion with the participation of various federal and local agencies as well members of the private sector.

In coordination with the Ports Authority, the Department of Justice, the state Police and the Drug Enforcement Agency, our Excise Tax Bureau handles the Electronic Inspection Unit at our three international airports which employs x-ray machines and other devices to inspect luggage and cargo in flights between Puerto Rico and the U.S. mainland.

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ideally positioned as an ideal vehicle through which the United States can provide training and technical assistance. No other State government is as well positioned as Puerto Rico to provide a link between the domestic and the international components of the National Drug Control Strategy and contribute to a synergy between the two.

We thank Chairman Zeff —and thank you Chairman Hastert and members of this Subcommittee— for your interest in cutting the flow of illegal narcotics through and to Puerto Rico for our benefit and for the benefit of our Nation. It is an ambitious goal but one that can be achieved with hard work, a good team effort, and the legislative will to provide the necessary resources to get the job done.

I am available to answer any questions that you may have.

Mr. HASTERT. Thank you very much, Secretary Díaz-Saldaña.

Let me ask you, the money laundering issue is such a big issue, especially in transit zones. The people at the other end, whether it be Colombia, or Bolivia, or wherever the source of the narcotic is, the whole process of growing, and manufacturing, and shipping, there's no reward unless the money comes back.

And can you tell me what successes that you've had, or if this is a—I assume that you have a big money laundering problem here, there are those problems in the Caribbean—what successes have you had in being able to track that and to apprehend some of that flow?

Mr. DÍAZ-SALDAÑA. We have here identified different targets of people, or what we call here "tarjetas," that are being identified with other agencies.

And in the cases we provide information, intelligence information about properties, assets that they may have here, and based on cooperation with the Federal agencies, we have been able to provide that kind of information.

So, in effect, many of the cases are being prosecuted directly by the Federal agencies. We are just a facilitator in terms of Puerto Rico.

Obviously we can apply tax evasion measures because if we identify people within Puerto Rico, they provide us information, we identify their assets.

We find if they are filing tax returns here and if they are not, then we can establish a tax deficiency and seize all the assets. So that's the process that we have been using here.

Mr. HASTERT. Do you find other businesses sprouting up as the process of drug laundering takes place, it actually pushes legitimate businesses out of business?

Mr. DÍAZ-SALDAÑA. Yes. And they also used to buy a lot of properties, real estate.

We have also been changing the reporting measure to have all the notaries here in Puerto Rico, all the properties that are being acquired by different persons, that information goes to the Treasury Department and we are putting that into our computer.

There, also, we have the capability of identifying who is making transactions on real estate, which is other approach that they use to buy here real estate property, they keep it for some time. After that they sell it and that way they use as a laundering method.

Mr. HASTERT. Thank you.

Representative Romero-Barceló.

Mr. ROMERO-BARCELÓ. Thank you, Mr. Chairman.

Thank you for an excellent statement, Mr. Díaz-Saldaña.

Mr. DÍAZ-SALDAÑA. Thank you, sir.

Mr. ROMERO-BARCELÓ. How closely connected to the success of drug dealing is the money laundering?

Mr. DÍAZ-SALDAÑA. Oh, obviously it's very close.

You know, transactions, a cash transaction here has to be reported in the cash transaction report that are required by Federal law; there we have that information. And there are some kind of operations by the U.S. Customs especially, that we provide some intelligence service.

Mr. ROMERO-BARCELÓ. So obviously your tax evasion efforts are very important.

Mr. DÍAZ-SALDAÑA. Yes, sir.

Mr. ROMERO-BARCELÓ. What—has an analysis been made of how the tax evasion does help or is enhanced by our tax exempt prizes in the lottery, and the casinos, and in the race track?

Mr. DÍAZ-SALDAÑA. No, we have not analyzed that.

In general, I have to tell you that in 1994, when we had the tax reform that we made here, whereby we can use those tax rates for all taxpayers, we measured the tax evasion. It's a problem, 27 percent, as compared to the mainland, which is 12 percent. And it's something that we have been attacking directly.

Mr. ROMERO-BARCELÓ. Isn't it true that tax exempt prices allow money laundering?

Mr. DÍAZ-SALDAÑA. Oh, yes.

Mr. ROMERO-BARCELÓ. Because I want to make—you know, take this opportunity to pinpoint a case in particular.

There is a man called Hildo Masso. How many prizes did he win for a consecutive number of years?

Mr. DÍAZ-SALDAÑA. I think it was around 7 or 8, or something like that.

Mr. ROMERO-BARCELÓ. For 7 or 8 consecutive years, winning thousands of dollars in the lottery and nothing could be done about tax evasion, right?

Mr. DÍAZ-SALDAÑA. That's right.

Mr. ROMERO-BARCELÓ. So, I just want to—you know, we should—what are we thinking? Are we thinking of doing anything about tax exempt prizes? Isn't that really helping the money laundering?

Mr. DÍAZ-SALDAÑA. Well, we are analyzing the people that are in the collection of those prizes and we are looking into that to see if we can detect some of that. But that's certainly something that we have to look more in detail.

Mr. ROMERO-BARCELÓ. I want to point out—I think that an in-depth study should be made—

Mr. DÍAZ-SALDAÑA. Yes, sir.

Mr. ROMERO-BARCELÓ [continuing]. As to what effect does the tax exempt prizes have on money laundering and how it facilitates money laundering.

Mr. DÍAZ-SALDAÑA. OK.

Mr. ROMERO-BARCELÓ. Because you can buy prizes after the lottery is over. Then you could use that money, you buy the prize and then that's tax exempt. Then it would be very difficult in many instances to enforce tax evasion, isn't that correct?

Mr. DÍAZ-SALDAÑA. Yes. We have to measure that. That's something that we have to focus. That's why we are now preparing our computer system.

We are in a—right now, in the installation of a new computer system, whereby we will be able to get all the information in the tax returns and compare thoroughly the reports that we have from the lottery and from the horse racing company.

Mr. ROMERO-BARCELÓ. If people would have to pay taxes on those prizes, it would make it a lot harder to have tax evasion, would it not?

Mr. DÍAZ-SALDAÑA. Yes, sir.

Mr. ROMERO-BARCELÓ. OK, thank you.

Mr. DÍAZ-SALDAÑA. Thank you.

Mr. HASTERT. Representative Mica.

Mr. MICA. A couple of quick questions for Mr. Vivoni.

Some of the things that you did down here in the housing projects were controversial. I understand that—and I'm not an attorney—you have to comply with U.S. laws as far as some of these housing projects.

Did you see any conflict with laws, anything that needs to be changed, anything that we could institute from what you learned with your success, to translate into, you know, using the same methodology in the mainland?

Mr. VIVONI. I believe, Congressman, that the experience from Puerto Rico can be translated to virtually any other jurisdiction in the mainland.

Puerto Rico, like you say, accurately has to abide by all Federal laws and regulations, and housing is no exception. Our public housing system is—falls under the umbrella of the Federal Public Housing Program, administered and operated under HUD.

The efforts that were put into practice, as part of this intervention's model, as directed by our Governor, had to, by design, keep compliance with every law.

Mr. MICA. Any recommendations for changes, any problems you had—so what was instituted here, we could institute in the mainland—but did you see any constraints in existing laws or regulation, cooperation from the agency that we need to address?

Mr. VIVONI. Well, there—in the way it's managed and implemented, obviously there are a lot of areas that can be improved, certainly increased flexibility in the use of Federal resources in promoting the rebuilding of communities, public housing communities, and other communities in distress.

Many of the programs that make resources available are burdened by a tremendous amount of regulation, which makes it, in many instances, even impractical to use, and our experience in that instance has not been an exception either.

Mr. MICA. So we could look at some flexibility, some ways to assist with some of the rules and the laws—

Mr. VIVONI. Yes, sir.

Mr. MICA [continuing]. To put constraints on.

Another controversial thing that was done here was the use of the National Guard and you had, was it 1992, where the Governor talked about the increase of homicides that went from 400 to 800 and something. Your population is 3½, 4 million?

Mr. VIVONI. Correct, yes, sir.

Mr. MICA. Washington, DC, has 630,432, the staff just told me, and we had 1,000 murders in 3 years—that was drug-related—and I called on President Clinton to bring the National Guard into the district and didn't get too far.

What was your experience here and did you use the National Guard in the housing projects for patrolling or were they not part of that program, or what?

Mr. VIVONI. Yes, sir, they do assist in preventive patrolling as part of what we call the phase II, storing or the maintenance

phase, but once the fence—a fence is built around the perimeter of the community, the National Guard is withdrawn and the police presence is reduced.

Mr. MICA. It sounds like a war action.

Mr. VIVONI. Well, there it's—

Mr. MICA. Move back to another perimeter and we take hold—we've taken hold of the, you know, where the houses and the—then we take a hold of the street and the communities. You use that National Guard in that fashion.

Mr. VIVONI. Well, Congressman, I will say that it was very controversial and indeed criticized by many sectors. What was interesting, sectors that did live within the public housing projects. The overwhelming majority of residents in these 78 communities have welcomed, have applauded—and there is ample testimony to present that and confirm that—they have welcomed the intervention by the police and the National Guard.

And one, I guess one of the measures of the support that this program had early on in the effort, back in 1993, when communities not only called in on—intervene communities—called in, not only to request, but to demand that their communities be intervened by the police and National Guard, sort of like saying how dare the Government still not come into our communities.

So it was an expression of support that I think, for the most part, countered the expressions of those critical of this controversial, no doubt, method that over time has proved that when accompanied by other social and economic development initiatives, has in fact assisted these communities, these distressed communities begin a dramatic transformation process.

Mr. MICA. So in spite of the criticism, the citizens and the people in these areas were cheering you on.

Mr. VIVONI. Well, Congressman, the statistics not only are the measure to show what we like to think is a success of this effort, but in a much less quantifiable, but equally important, the environment in most of these communities has dramatically changed, like I said in the written statement, which is very difficult to quantify, but when you start seeing increased community participation, recreational areas again being used by residents and children, that's not very quantifiable, but I think very reflective of how living standards have improved significantly as a result of this program.

Mr. MICA. I thank you.

Thank you, Mr. Chairman.

Mr. HASTERT. A very quick followup question for Mr. Vivoni.

In the taking back of the 78 communities to talk to, with the work of the National Guard and Police, did you take any casualties during that period of time?

Mr. VIVONI. To date, there has not been a single casualty or fatality as a result of this very dramatic program.

The Police and the National Guard do come in, in very substantial numbers, but this display of force obviously is designed and intended to minimize any resistance on the part of those who would rather this not happen, and the experience to date, in 3 years, in 78 communities, has been that there has not been a single casualty.

Mr. HASTERT. Well, thank you very much and I certainly thank the panel for their expert testimony, and appreciate their participation today.

Thank you very much.

Mr. VIVONI. Thank you, sir.

Mr. HASTERT. I would now like to welcome our third panel.

Vice Admiral Loy serves as Commander, Atlantic Area Commander, U.S. Maritime Defense Zone Atlantic of the U.S. Coast Guard. He is responsible for Coast Guard operations through about 2.4 million square miles, from the Canadian border to the Caribbean, and provides a command and control network for the defense of ports, harbors, coastal waters, within a 200 mile radius of the United States.

Previous to his position, Vice Admiral Loy was Chief Office of Personnel and Training at Coast Guard headquarters in Washington, DC.

I would also like to welcome Mr. Harvey G. Pothier, who has served as Director, Air Interdiction Division of the U.S. Customs Service since February 1995.

As Director, Mr. Pothier organizes and controls the operations of Customs Airborne Drug Interdiction Programs operating out of 18 locations, extending from Puerto Rico to California. He is also charged with overseeing the Customs National Aviation Center and the Domestic Area Interdiction Coordination Center.

And finally I would like to welcome Mr. Felix Jimenez, who currently serves as the Special Agent in Charge of the Caribbean Field Division of the Drug Enforcement Administration, or DEA. In this capacity, he is responsible for oversight of DEA Enforcement operations throughout the entire Caribbean region.

Mr. Jimenez has worked in the drug law enforcement field for over 20 years and has held several progressively responsible leadership positions within the DEA. He previously served as Special Agent with the Puerto Rican Department of Justice and he maintains affiliations with several Federal and international law enforcement associations.

With that, gentlemen, let me ask you to stand and raise your right hands.

[Witnesses sworn.]

Mr. HASTERT. Let the record show that the witnesses responded in the affirmative.

Commander Loy, we'll start with you.

STATEMENTS OF VICE ADMIRAL JAMES M. LOY, COMMANDER, COAST GUARD ATLANTIC AREA; HARVEY G. POTHIER, DIRECTOR, AIR INTERDICTION DIVISION, U.S. CUSTOMS SERVICE; AND FELIX JIMENEZ, SPECIAL AGENT IN CHARGE, DRUG ENFORCEMENT ADMINISTRATION

Vice Admiral LOY. Good morning, Mr. Chairman.

Let me begin by thanking the committee in general for their support and interest. I think this is an absolutely perfect location, especially on the decks of a Coast Guard Cutter, especially one I served on back in the middle seventies at the beginning of my employment in this drug business.

I'm very glad to be a member of this distinguished panel of Customs, DEA, and Coast Guard people who are toiling in the trenches of this business out here, when often outside the beltway of Washington, we need to gain an appreciation for exactly what the depth of effort is out here in the trenches.

I spent a very refreshing evening with Chairman Zeliff just about 6 weeks ago in Cleveland—refreshing from the standpoint that I became very much aware of his concern about this issue generally, and about his commitment to the multidimensional nature of this particular dilemma we're facing as a Nation.

I happen to believe, as you've mentioned in your opening statement, Mr. Chairman, that it really is the most insidious threat against the national security of the United States today, and soon, if not now, will be that for literally this globe.

I am of the mind that this must be a very balanced effort and that your effort today to explore what's going on in the interdiction side of the arena is one that is critical to the overall success of our national effort with regard to the so called war on drugs that we've all been fighting.

I've been immersed in this business for about 20 years now, either as an operator or as a policymaker. I find that often times it's a circuitous route. Over the course of those 20 years, you and other distinguished members of the panel have described highs and lows, if you will, in terms of resource dedication, as well as in terms of the effort undertaken by agencies over the course of those years.

I take my personal direction as an area commander in New York City from Bob Kramek, as you mentioned, the Commandant of the Coast Guard. My effort from my particular position today is to translate that guidance into strategic guidance to my operation commanders, including Admiral John Lockwood, who is with us today, recently installed as the District Commander in Miami, and Captain Tom Bernard, who runs Coast Guard activities in the Puerto Rican area.

As I mentioned a moment ago, I am convinced of the value of interdiction as a significant part of the overall national drug control strategy.

We do have multiple legs to the stool on which we are resting the national effort with regard to counternarcotics activity, and I am of the mind that pulling any one of the legs out from under that stool is literally as a cast of cards or a house of cards, it's going to be detrimental to the overall impact of what we're trying to accomplish as a Nation.

Strategically, I am absolutely convinced that interdiction can do two things at the strategic level.

First of all, it can take away preferred geography that the smuggler would like to do business at. Perhaps OPBAT in the Bahamas, Turks and Caicos, is the most graphic example of that.

Over the course of several years, 5, 6, or 7 at this point, this properly resourced activity has essentially taken the Bahamian Archipelago away from the smuggler as a geography piece of choice.

The second thing that we can do, repeatedly in the interdiction activity, is to tactically employ surge and pulse operations that can optimize what we get from the intelligence community in terms of operating where they suggest we ought to best operate.

There are several such operations going on literally as we speak today, whether it's laser strike operations associated with the air bridge in the source countries in South America, or Caribe Venture, a series of international operations run out of the GANTSEC office here by the Coast Guard, dealing with this international flavor of the war as it has been undertaken recently in the Eastern Caribbean.

There are a couple of points that I would ask you to take away from my testimony. Although I have submitted my written testimony to the record, clearly I, as an operational commander, could profit from half again as many assets that I currently employ in this effort, and I say that based on the manner in which we invest those resources on a quarterly basis.

Based on some very solid unconstrained requests that come to my office on a quarterly basis, we dedicate assets and assign assets against those priorities most critical in the upcoming quarter.

We always go to the point where we are not able to fulfill a number of very well thought out and very well planned operations that we otherwise would be able to conduct.

I think your choice of this venue, sir, suggests that the committee understands clearly that Puerto Rico clearly is a nexus, a key nexus of coordination and cooperation among Federal agencies in this effort.

As someone mentioned a moment ago in the other panel, in my experience over those 15 or 20 years, I have never seen coordination and cooperation at the local operational level better than it is here in Puerto Rico. It is an excellent place to come and learn how cooperation can be a good asset in the war on drugs.

Puerto Rico is also a microcosm of the very worst impact that the criminal activity, dependent to some degree on the drug trade, certainly connected with the drug trade, can have for any given community. And as you were suggesting, as Congressman Mica mentioned about his Orlando experience of just this past weekend, that story can be told in virtually any community, any big city, any small city in the United States today.

Puerto Rico is a microcosm of that, to the degree some of their efforts here are of value; we should be learning lessons from them. It also should be a wake-up call for all of us in 1996 as to the potential impact of losing Colombia, or losing Puerto Rico, or losing any of these key elements and key places in the overall effort.

I would ask you to acknowledge, sir, and understand that we have made considerable international progress over the course of the last 2 years.

I took a trip through this area shortly after taking this job 2 years ago. I visited police chiefs, heads of military service, prime ministers of many of the Eastern Caribbean Islands, and I am delighted to report to you that 2 years later, under the direction of Ambassador Hyde out of Barbados, we have made considerable effort in acquiring bilateral cooperation from many of those island nations.

It's a very good success story that, first of all, portends what we have to do in the future to continue that international progress.

I certainly solicit the support of the committee to recognize the value of transit zone activity and fund it accordingly. A good start,

of course, would be to support the President's initiative with respect to a \$250 million jump start for 1996.

Speaking with the committee staff on the plane on the way down, I understand that perhaps our best opportunity there is to parlay that into a funding request for 1997, potentially having missed important windows in the process on the hill. But certainly I would ask the committee's support with respect to that, as a way to jump start the 1996 National Drug Control Strategy.

Before closing, let me allow—if you would, allow me to address two questions that have already been asked of other panels.

One of the questions was: What would I do or what would the panelists do if provided more assets in this particular war?

Sir, first of all, I think it's important to note that the Office of National Drug Control Policy [ONDCP] Pay Report of just several months ago suggested that a \$200 million influx into the transit zone could yield a 90 megaton seizure of drugs. That's an 11 percent increase on what the transit zone would have produced if it did not have that funding.

I think it's also on track with a very interesting mathematical algorithm that has been developed by the Joint Interagency Task Force [JIATF] East in Key West over the last several months. They suggest that we should not have a disconsolate face with respect to these things, because maybe we are really only about 100 megatons short of really impacting the flow of drugs into the United States.

What they suggested is, of the roughly 800 megatons produced in the source countries to meet a 300 to 350 megaton habit in the United States, we in the seizure business, whether it's State side, in the source country or in the transit zone, are actually seizing these days about 300 of those 800 megatons.

To make the difference between what is produced to go to Europe, approximately 180 megatons these days, and what is consumed in the United States, if the interdiction effort was seizing about 100 megatons more, we would be impacting price on the streets and we would be returning to those days you described, as late as 1992, where all the indicators of success in this business were going in the right direction. Unfortunately, we find perhaps they are not doing so today.

The second thing I would do would be to deal with sensors in technology as ways of leveraging our efforts in the transit zone.

We need to try to stay abreast, if not ahead, of the bad guy. The bad guy is incredibly adept at finding ways to either take the path of least resistance geographically or find ways technologically to deal with our best efforts in the interdiction zone.

I would suggest that money produced into R and D efforts, so as to allow those sensors and technological capabilities to be ahead of the smuggler, is money well invested in the transit zone.

Certainly asset investment is also important. The numbers of aircraft hours and cutter days that I am able to contribute to interdiction today is less than what it had been at the peak of our effort in the early nineties.

Last, international progress and C3I, that is Command Control Communications, and Intelligence sharing activities can continue to be enhanced here in the Eastern Caribbean. Those are the kinds

of things that I would be investing additional assets in if they were on the way to the Coast Guard.

Last, Congressman Mica asked a very good question about migrant interdiction. The Coast Guard effort in the maritime end of migrant interdiction, whether it's Able Response, the effort we're currently mounting in the Mona Cass between the Dominican Republic and Puerto Rico or the other mass migration efforts that you recall from the summer and fall of 1994, with respect to Haitians and Cubans, those kinds of efforts all literally take away assets that would otherwise be being devoted to the counternarcotics war here in the Eastern Caribbean.

So the thoughtful policy efforts associated with keeping those genes in the bottle are extremely, extremely important to our ability as a service to continue to contribute to the interdiction efforts.

Mr. Chairman, again, I thank you for your presence with the committee here today and look forward to your questions.

[The prepared statement of Vice Admiral Loy follows:]

DEPARTMENT OF TRANSPORTATION
U.S. COAST GUARD
STATEMENT OF
VICE ADMIRAL JAMES M. LOY
ON EASTERN CARIBBEAN COUNTERDRUG STRATEGY
BEFORE THE
SUBCOMMITTEE ON NATIONAL SECURITY,
INTERNATIONAL AFFAIRS AND CRIMINAL JUSTICE
COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT
UNITED STATES HOUSE OF REPRESENTATIVES
JUNE 10, 1996

Good morning, Mr. Chairman and distinguished Members of the subcommittee. I am Vice Admiral James Loy, Commander, Coast Guard Atlantic Area. It is a pleasure to appear before you today to discuss Eastern Caribbean transit zone drug interdiction operations in support of the 1996 National Drug Control Strategy.

My area of responsibility covers the entire Atlantic Ocean, from the Arctic to South America. This, of course, includes the Caribbean Sea which is a transit route for a substantial portion of the illegal drugs attempting to reach the United States.

My policy guidance comes from the Coast Guard Commandant, Admiral Robert Kramek. I, in turn, provide strategic guidance to my operational commander in the Caribbean region, Commander, Coast Guard District Seven, in Miami, Florida. I also provide the Seventh District Commander with operational assets such as major Coast Guard cutters, aircraft, and Law Enforcement Detachments (LEDETS). The cutters I assign to the District Commander may be further assigned to his subordinate in the Puerto Rico area, Commander, Coast Guard Greater Antilles Section, in San Juan. We

also provide assets for counterdrug work under the operational control of Joint Interagency Task Force East.

The goal of our drug interdiction program is to eliminate maritime routes as a significant trafficking mode for the supply of drugs to the U.S. through seizures, disruption, and displacement. Coast Guard cutters, boats, and aircraft conduct routine law enforcement patrols and special operations throughout the maritime area, including waters adjacent to principal source and transit countries, and in U.S. coastal waters. We seek to interdict vessels and aircraft smuggling illicit narcotics in transit to the U.S. and to assist in tracking, monitoring, and apprehending aircraft suspected of carrying drugs from source and transit countries over the high seas.

I am absolutely convinced of the continuing value of interdiction as part of the overall National Drug Control Strategy. The solution to the drug problem will eventually be generated by prevention and education, but in the meantime we need every effort working in concert to keep the streets from becoming totally awash in drugs. To that end, we need the "cops on the beat" at sea and in the air that interdiction forces provide.

Interdiction efforts can effectively take an area away from the smuggler. The experience with Operations Bahamas and Turks and Caicos (OPBAT) in the Bahamas and the Turks and Caicos Islands has demonstrated that point. And while we can't be everywhere

all the time, interdiction can also tactically disrupt the smuggler with pulses and combined operations, such as the CARIBE VENTURE series recently conducted in the Coast Guard Greater Antilles Section area.

The Puerto Rico Focus:

The Eastern Caribbean threat vector is of great concern to the Coast Guard. Puerto Rico is the nexus of this Eastern Caribbean drug trafficking threat, as a substantial portion of the illicit drugs departing the source countries is smuggled directly across the Caribbean or up the Eastern Caribbean Island chain bound for this island. Once the drugs arrive in Puerto Rico, continued transportation to the mainland via commercial air or general cargo vessel is virtually unencumbered. Our concern is to prevent the product from getting to Puerto Rico in the first place.

The use of Eastern Caribbean smuggling routes and the associated cartel influence have combined to create a destabilizing influence in some of the Eastern Caribbean island nations. Over the past two years, the Coast Guard has participated in significant efforts to engage those nations in our common cause, and two key U.S. Ambassadors, Jeanette Hyde (Barbados) and Donna Hrinak (Dominican Republic), have been superb in leading that effort.

Progress is Being Made:

We have seen progress and success in Coast Guard transit zone interdiction operations. During Fiscal Year 1995, operations resulted in the seizure of 48,920 pounds of cocaine, 46,497 pounds of marijuana, 1,295 pounds of hash oil, 33 vessels, and 117 arrests. The most notable case was that of the F/V NATALY I (PN) which was boarded and seized by a Coast Guard LEDET from a U.S. naval ship culminating a vast interagency effort in the Eastern Pacific. This 24,325 pound cocaine seizure was the largest maritime cocaine seizure in U.S. history.

♦ Alien migration is now at a manageable level due to stability in Haiti and the direct repatriation agreement with Cuba. This has allowed us to shift assets previously dedicated to migrant operations back to counterdrugs. Fifty percent of my high and medium endurance cutter time is now dedicated to counterdrug operations. The vast majority of this effort is in the Caribbean basin.

♦ We have begun to enjoy unprecedented cooperation from the British and Dutch Navies throughout the Caribbean. Coast Guard LEDETS, in the past limited to deploying on the U.S. Navy ships, now deploy regularly on the Royal Navy West Indies and Dutch Navy Netherland Antilles Guardships. Just two weeks ago, a Coast Guard LEDET deployed on HMS ARGYLE seized a vessel with over 289 kilos of cocaine. Over the past year, British and Dutch guardships have regularly taken on "commander of task force" duties for combined operations in Eastern Caribbean. For example, a Dutch warship under operational control of Coast Guard

Greater Antilles Section, San Juan was recently in tactical command of a Coast Guard medium endurance cutter; 2 Coast Guard patrol boats; Antiguan, St. Kitts, and St. Martin patrol vessels; and Dutch, U.S. Navy and Coast Guard aircraft.

♦ New cooperation among the numerous island nations in the East Caribbean approaches to Puerto Rico have brought them closer together and have helped prompt the signing of a new resources sharing treaty among the seven nations of the Regional Security System. This new cooperation is improving the confidence and capabilities of the Eastern Caribbean coast guards and should provide the Coast Guard with what we call "force multipliers."

♦ We're also enjoying cooperation within the Federal interagency arena through such coordinating mechanisms as the Caribbean Coordinating Council and Eastern Caribbean Work Group.

♦ The Coast Guard has deployed new drug detection technology in the form of IONSCAN and CINDI. This equipment is being used to detect illicit drugs aboard vessels and can provide the evidence needed to associate drug smuggling crews with their cargo.

♦ We have recently been able to dedicate two HU-25 jet interceptors to OPERATION LASER STRIKE under the control of the U.S. Southern Command in Panama.

♦ The new U.S. Navy Western Hemisphere Group is starting to provide continuity in the coordination and oversight of US Navy vessels deploying with Coast Guard LEDETS for counterdrug duty.

♦ A "web of interdiction" is being woven throughout the Eastern Caribbean as a result of new cooperation between the

island nations and the United States. Ambassador Hyde has been very successful in increasing our presence in these waters. Bilateral counterdrug agreements with eight of the nations in the East Caribbean give us, among other provisions, easier entry into territorial seas and shiprider exchanges. We have substantially increased the number of East Caribbean port calls made by our cutters, which provides the opportunity for professional exchanges and combined operations with the local coast guards. One absolutely key result of these bilateral agreements is the opportunity to take the territorial seas of those nations away from the smugglers who heretofore were able to use them with impunity as safe havens and a virtually unimpeded path from South America to Puerto Rico.

What More Could We Do in the Future?

The need to build upon the diplomatic foundations put in place over the past several years can not be over emphasized. We need bilateral agreements of the Eastern Caribbean type throughout the entire Caribbean Basin to remove any territorial-sea safe havens from drug smugglers.

Intelligence sharing should be of paramount importance. It is accurate intelligence which facilitates successful seizures/deterrence by placing the interdiction resource in the right place at the right time. We should continue to work for an open environment where intelligence on drug trafficking capabilities, plans, and future operations can get to those in position to act upon it.

While I have been able to cite numerous instances of improved cooperation both among U.S. agencies and internationally, there still remain opportunities to improve the unity of effort within the region. There are any number of options how this might be achieved, and these should be explored without regard for the traditional ways of doing business.

I urge the Congress to support the President's request for the additional \$250 million to "kick-start" the new 1996 NDCS strategy. The Coast Guard's share of the request, \$14.6 million, would allow the Coast Guard to continue support to USSOUTHCOM operations in source zones without reducing Coast Guard operations in the Caribbean, increase operational support to key transit routes, and allow the Coast Guard to start implementation of the advanced technology proposals.

If funds are made available, ONDCP and the Coast Guard believe priorities should include:

- ♦ **Air capability improvements:** increase aircraft availability through additional programmed flight hours, the procurement of helicopter support kits, and forward deployments. Supplemental funding would also improve the Coast Guard's communications capability and compatibility with DoD.

- ♦ **Surface capability improvements:** increase the operational availability of patrol boats and major cutters through greater use of existing assets.

♦ Operations planning and support improvements: provide additional personnel for increased staffing at the Coast Guard operations center in San Juan and for more interagency liaison.

Conclusion:

I was encouraged by recent comments from President Clinton at the Coast Guard Academy commencement exercise on May 22, 1996 where he promised the necessary tools to properly carry out the Coast Guard's drug law enforcement mission. They confirm my belief that the Coast Guard, with the support of the Administration, has a very important role to play in the counterdrug effort, particularly in the Eastern Caribbean.

Improvements in the transit zone effort have been realized. Increased coordination, new diplomatic initiatives, and the infusion of additional resources can all be melded in a new "work smarter" approach in support of the interdiction piece of the National Drug Control Strategy recently announced by General McCaffrey.

I appreciate the opportunity to appear before you today to discuss the Coast Guard's role in the Eastern Caribbean counterdrug strategy. I would be happy to answer any questions you may have.

Mr. HASTERT. Thank you, Admiral Loy. We'll defer questions until the whole panel completes.

I'd like now to introduce the Special Agent in Charge of the Drug Enforcement Administration, somebody who is certainly not a stranger to my area of northern Illinois, has done some very good work there, Mr. Felix Jimenez.

Mr. JIMENEZ. Thank you, Mr. Chairman, Mr. Mica, Mr. Romero-Barceló.

As a Special Agent in Charge of the Drug Enforcement Field Administration's Caribbean Field Division, it is a pleasure to appear before you to discuss the drug threat in Puerto Rico—

Mr. HASTERT. Excuse me, would you pull your mic up a little bit closer to you, please?

Mr. JIMENEZ. Sure.

It is a pleasure to appear before you to discuss the drug threat in Puerto Rico and the U.S. Virgin Islands.

I would like to thank you for your interest in drug trafficking in Puerto Rico and the surrounding Caribbean drug transit zone.

The Caribbean Field Division includes DEA's domestic offices in Ponce and Fajardo, Puerto Rico and the U.S. Virgin Islands in St. Thomas and in St. Croix, as well as country offices located in Kingston, Jamaica, Port-Au-Prince, Haiti, Santo Domingo, Dominican Republic; Bridgetown, Barbados; and Curacao, Netherlands Antilles.

Historically, Puerto Rico and the Caribbean have been key stepping stones for the prime maritime and air smuggling routes utilized by both the Medellin and the Cali cartels.

The Caribbean now ranks second to Mexico as the corridor for drugs smuggled into the mainland, the United States.

As with many drugs transit zone, Puerto Rico is witnessing escalating drug addiction. It is estimated that 20 percent of the illegal drugs that pass through the island stay here and are consumed by Puerto Ricans.

One of the reasons for the growing cocaine abuse in Puerto Rico is that the trafficking organizations are paying the local transporters in cocaine, cocaine that is then sold for local use.

This strategy provides the Colombian organization with an addicted population who will continue to buy, use and distribute their drugs, and increase the Colombian traffickers' profits.

In Puerto Rico, cocaine hydrochloride continues to be the preferred drug of choice. During fiscal year 1995, the price per kilogram of cocaine remained steady at \$10,000 to \$12,000, the lowest documented in the United States.

With regard to heroin, this year's statistics indicate that 9 out of 10 street buys in Puerto Rico reflect a South American Colombian signature.

Drug traffickers' patterns have changed Puerto Rico from an island of paradise to an outpost of fear and violence. There are a number of reasons why Puerto Rico is attractive to drug smugglers.

First, Puerto Rico and the U.S. Virgin Islands are the U.S. southern most ports of entry. Its ideal geographic location between South and North America makes it a gateway from increasing amounts of drugs destined for east coast cities, from Florida to New England.

Puerto Rico is 412 nautical miles from Colombia, approximately 4 hours flight time for a twin engine Turbo Commander, the aircraft of choice for Colombian traffickers.

Second, its 300 mile coastline is difficult to patrol and make it ideal for land, sea, and air smuggling of drugs, weapons, aliens and currency.

Third, Puerto Rico is the most important air and sea transportation port in the Caribbean and a principal transit hub for travel destined for the United States. It's the third busiest seaport in North America and the 14th busiest in the world.

The movement of drugs into Puerto Rico and the U.S. Virgin Islands area and then to the continental United States is facilitated by Dominican transporters' flotillas of home-built, high performance go-fast speed boats, more than 75 commercial flights from Puerto Rico to the continental United States and the fact that Puerto Rico is a major port for commercial maritime shopping.

Fourth, perhaps most important, Puerto Rico's Commonwealth status means that once a commercial shipment enters into Puerto Rico, it does not need to pass through Customs again en route to other parts of the United States. If the cargo contains drugs, it is easily transported without further inspection.

Fifth, Colombian traffickers have turned Puerto Rico into the biggest staging area in the Caribbean for smuggling cocaine and Colombian heroin to the mainland United States.

DEA estimates that more than 100 illegal organizations with thousands of traffickers carry out trafficking or money laundering operations in the Caribbean region. South American traffickers are easily assimilated into the Latin culture of Puerto Rico.

Finally, Puerto Rico has a well established financial network and is a center for commercial transactions between the United States and Europe.

These factors have led local Puerto Rican, Dominicans and Antillean traffickers to develop their own niche in the Caribbean. Drug transporters have created "smuggling cells" that transport drugs for multiple traffickers and from several sources of supply.

Today they may work for a Colombian trafficker based in New York, and tomorrow they may work for a Colombian cell head in Miami, FL.

The quantity of drugs these transportation networks smuggle through Puerto Rico is almost unbelievable. DEA conservatively estimates that over 7 tons of cocaine enter Puerto Rico each month. That's an incredible 84 tons of cocaine a year, worth billions of dollars on the streets of the United States.

DEA initiatives, such as the consolidation of our efforts through the creation of the Caribbean Field Division, provide for more effective and efficient utilization of limited DEA resources.

DEA's newest division will focus enforcement and investigative resources on the special needs of the Caribbean region.

The designation of Puerto Rico and the U.S. Virgin Islands as the Nation's newest High Intensity Drug Trafficking Area, HIDTA, will bring much needed resources to this region. The HIDTA coordinates cooperative law enforcement investigations among 15 Federal and 8 State and local enforcement agencies.

This concludes my remarks to the subcommittee today. DEA looks forward to working cooperatively with law enforcement in Puerto Rico, to ensure that drugs and violence are eliminated from this island with a proud history and a bright future.

I will be happy to answer any questions you might have and thank you for the opportunity to appear before the subcommittee today.

[The prepared statement of Mr. Jimenez follows:]

**Testimony by Felix J. Jimenez
Special Agent in Charge, Caribbean Field Division
Drug Enforcement Administration
before the
House Subcommittee on National Security
International Affairs and Criminal Justice
June 10, 1996**

Mr. Chairman, Mr. Hastert, and members of the Subcommittee, as the Special Agent in Charge of the Drug Enforcement Administration's Caribbean Field Division, it is a pleasure to appear before you to discuss the drug threat in Puerto Rico and the U.S. Virgin Islands.

I would like to thank you for your interest in drug trafficking in Puerto Rico and the surrounding Caribbean drug transit zone. The Caribbean Field Division includes DEA's domestic offices in Puerto Rico and the U.S. Virgin Islands, as well as country offices located in Kingston, Jamaica, Port-Au-Prince, Haiti; Santo Domingo, Dominican Republic; Bridgetown, Barbados, and Curacao, Netherland Antilles.

Historically, Puerto Rico and the Caribbean have been key stepping stones for the prime maritime and air

smuggling routes utilized by both the Medellin and Cali drug mafias. The eastern Caribbean continues to be an active smuggling route for Colombian cocaine traffickers. During the late 1970s and 1980s, these traffickers transported drugs to the U.S. on mother-ships laden with thousands of tons of marijuana, shrimpers and freighters loaded with multi-thousand kilo shipments of cocaine, and Aero Commander aircraft from Colombia dropping 500 to 800 kilogram payloads of drugs off the shores of Puerto Rico and throughout the Caribbean.

Today Puerto Rico is an island under siege by the increasing problems of drug trafficking. Puerto Rico is the epicenter in the Caribbean for drugs enroute to the U.S. mainland, Europe and Canada. The Caribbean now ranks second to Mexico as the corridor for drugs smuggled into the mainland United States. Drug-related violent crime is having a devastating impact on the quality of life for every resident in Puerto Rico. As a native Puerto Rican, I can remember those years when life here had quality, when this island was a true paradise known as the "Island of Enchantment."

Drug-related carjackings, drive-by shootings and cold-blooded murders for revenge - crimes that have plagued the mainland's major urban areas for the past 15 years - are now tragically paralyzing Puerto Rico. In 1994, the brother of Puerto Rico's own Secretary of Justice, Pedro

Pierluisi, was killed during a carjacking. In early March of this year, Roberto Farinacci, a well known criminal defense attorney and former prominent prosecutor was executed gangland-style in his upscale Hyde Park law office. Farinacci was known for handling high profile cases involving major drug traffickers. With his death, many fear that growing violence against justice and law enforcement officials will dramatically increase.

More than 70 percent of the violent crime in Puerto Rico is drug-related. Puerto Rico now has the highest murder rate per capita of any state in the United States. Drug-related murders which accounted for 14 percent of murders in 1991 skyrocketed to 64 percent by 1995 - a four fold increase.

As with many drug transit zones, Puerto Rico is witnessing escalating drug addiction. It is estimated that 20 percent of the illegal drugs that pass through the island stay here and are consumed by Puerto Ricans. One of the reasons for the growing cocaine abuse in Puerto Rico is that the trafficking organizations are paying their local transporters in cocaine - cocaine that is then sold for local use. This strategy provides the Colombian organizations with an addicted population who will continue to buy, use and distribute their drugs, and increase the Colombian traffickers' profits.

In Puerto Rico, cocaine hydrochloride continues to be the preferred drug of choice. During FY 1995, the price per kilogram for cocaine remained steady at \$10,000 to \$12,000, the lowest documented in the United States. With regard to heroin, DEA statistics indicate that 9 out of 10 street buys in Puerto Rico reflect a South American (i.e. Colombian) signature.

Tragically, many of the victims of this addiction are Puerto Rico's children. Here in Puerto Rico, elementary and junior high school children are being recruited into the drug trade as lookouts and drug couriers, often in housing projects where they have no escape. More than 90 percent of the young people in custody have tried drugs. Parole officers on the island say that even two years ago the youngest kids arrested for felony crimes were 15 and 16. Today, they are 13, 14 and in some cases as young as 8. They are the victims of the drugs that are so prevalent in Puerto Rico.

The Caribbean's reemergence as a significant transit area may well be a result of our recent successes against the Cali Mafia in Colombia. With the incarceration of six of the seven top leaders of the Cali Mafia, a new group of young, extremely violent traffickers is already filling the void left by these Cali leaders.

These young traffickers, who aspire to become the new drug kingpins, are replacing the Cali's highly-structured, centrally controlled business operations with small, less organized operations that rely on fear and violence to expand and control their turf. These traffickers are returning to long-established and familiar Caribbean drug routes which were used in the early 1980s before strong law enforcement actions in the Caribbean and South Florida forced the Colombian traffickers to turn to the transportation organizations in Mexico.

Drug trafficker patterns have changed Puerto Rico from an island paradise to an outpost of fear and violence. There are a number of reasons why Puerto Rico is attractive to drug smugglers.

1. Puerto Rico and the U.S. Virgin Islands are the United States' southern most ports of entry. It's ideal geographic location between South and North America makes it a gateway from increasing amounts of drugs destined for east coast cities from Florida to New England. Puerto Rico is 412 nautical miles from Colombia, approximately 4 hours flight time for a twin-engine Turbo Commander, the aircraft of choice for Colombian traffickers.

2. Its 300-mile coastline is difficult to patrol and make it ideal for land, sea and air smuggling of drugs, weapons, aliens and currency.

3. Puerto Rico is the most important air and sea transportation port in the Caribbean and a principal transit hub for travel destined for the United States. It's the third busiest seaport in North America and the 14th busiest in the world. The movement of drugs into Puerto Rico and the U.S. Virgin Islands area and then to the continental United States (CONUS) is facilitated by the Dominican transporters' flotillas of home-built, high performance go-fast speed boats, more than 75 daily commercial flights from Puerto Rico to CONUS and the fact that Puerto Rico is a major port for commercial maritime shopping.

4. Perhaps most important, Puerto Rico's commonwealth status means that once a commercial shipment enters Puerto Rico, it does not need to pass through Customs against en route to other parts of the United States. If the cargo contains drugs, it is easily transported without further inspection.

5. Colombian traffickers have turned Puerto Rico into the biggest staging area in the Caribbean for smuggling cocaine and Colombian heroin to the mainland United States. DEA estimates that more than

100 illegal organizations, with thousands of traffickers, carry out trafficking or money laundering operations in the Caribbean region. South American traffickers are easily assimilated into the Latin culture of Puerto Rico.

6. Finally, Puerto Rico has a well-established financial network and is a center for commercial transactions between the United States and Europe.

These factors have led local Puerto Rican, Dominican and Antillean traffickers to develop their own niche in the Caribbean. Drug transporters have created "smuggling cells" that transport drugs for multiple traffickers and from several sources of supply. Today they may work for a Colombian trafficker based in New York, and tomorrow they may work for a Colombian cell head in Miami, Florida.

To put these partnerships in perspective, consider the following scenario. A Colombian trafficker in New York places an order for 500 kilograms of cocaine. The transporter in Puerto Rico, often a Dominican Republic national, coordinates with traffickers in St. Maarten, Netherland Antilles, to move a drug shipment by go-fast speed boats into Fajardo, Puerto Rico, where another transportation cell then coordinates the movement of the contraband through the Luis Munoz Marin International

Airport to New York City. This entire scenario is accomplished in 24 hours.

To illustrate the kind of problems we face here in Puerto Rico, let me describe what is known as the "Dominican factor." Federal and local sources estimate that there are approximately 50,000 illegal immigrants from the Dominican Republic in Puerto Rico. Some of these immigrants have virtually become an "army for hire" for drug traffickers. At one time their illegal drug activity was one limited to "pick-up" crews and courier missions. Now Dominican drug transporters have developed a network throughout the Caribbean that brings drugs into the United States through Puerto Rico. The Dominican transportation network reaches out to their compatriots in the Dominican Republic, Puerto Rico/U.S. Virgin Islands and St. Maarten, Netherland Antilles to deal with Colombians on equal terms. The Dominican traffickers have also established a money laundering network which connects Puerto Rico, the U.S. Virgin Islands and the Dominican Republic with New York City.

The quantity of drugs these transportation networks smuggle through Puerto Rico is almost unbelievable. DEA conservatively estimates that over 7 tons of cocaine enters Puerto Rico each month - that's an incredible 84 tons of cocaine a year - worth billions of dollars on the

streets of the United States, Europe and Canada. DEA seized 20 metric tons of cocaine in Puerto Rico each year from 1993 to 1995.

To help address the problem of cocaine and heroin leaving Puerto Rico and the U.S. Virgin Islands for CONUS via commercial aircraft, DEA created an airport interdiction group and provided intensive training to local Puerto Rico Police Officers, who work together with DEA and are responsible for enforcement operations at Puerto Rico's main airports.

Here in Puerto Rico, Governor Rosello has instituted a number of tough initiatives aimed at reducing drug-related crime and violence. He has increased the number of police officers, enacted harsher prison sentences, conducted weapons and drug raids that have resulted in as many as 1,000 arrests at a time, and deployed the National Guard in about 70 housing projects and communities to wipe out drug distribution areas.

Both the Governor and police agencies in Puerto Rico recognize that drug-related crime is overwhelming their resources to control it. We realize the importance of focusing more attention on this area of the Caribbean. That is why DEA has designated San Juan as headquarters for our Caribbean Field Division operations.

DEA initiatives, such as the consolidation of our efforts through the creation of the Caribbean Field Division, provide for more effective and efficient utilization of limited DEA resources. DEA's newest division will focus enforcement and investigative resources on the special needs of the Caribbean region. The division formed a Mobile Enforcement Team (MET) to assist state and local law enforcement when drug-related gang and violence problems overwhelm the resources of community police agencies.

The designation of Puerto Rico/U.S. Virgin Islands as the nation's newest High Intensity Drug Trafficking Area (HIDTA) will bring much-needed resources to this region. The HIDTA coordinates cooperative law enforcement investigations among 15 federal and 8 state and local enforcement agencies.

The HIDTA is a 101-member joint task force that includes groups which work to dismantle drug trafficking organizations, investigate and prosecute violent crime, interdict illicit drugs and weapons and identify and seize assets from money laundering activities. It has also established four satellite offices in Ponce, in Fajardo and two in the Virgin Islands. The Fajardo Task Force, activated in February 1996, has already seized 3,613 kilograms of cocaine.

This concludes my remarks to the Subcommittee today. DEA looks forward to working cooperatively with law enforcement in Puerto Rico to ensure that drugs and violence are eliminated from this island with a proud history and a bright future. I will be happy to answer any questions you might have and thank you for the opportunity to appear before the Subcommittee today.

Mr. HASTERT. Thank you, Special Agent Jimenez.

Now we'll go to Director Pothier.

Mr. POTHIER. Good morning Mr. Chairman, members of the committee.

With the committee's permission, I'd like to summarize my statement briefly and enter the full transcript in the record.

Mr. HASTERT. You have permission.

Mr. POTHIER. Thank you, sir.

On behalf of Commissioner Weise and our three key executives on the island, Mr. Rafael Lopez, who is our Special Agent in Charge; Mr. Alfonso Robles, who is the Director of our Customs Management Center here in San Juan; and Mr. Ronnie Ortiz, who is the Chief of our Aviation Component, the Air Branch at Ramey, we express our sincere appreciation to the committee for its continued support of the Customs Service over these many months.

It's a distinct privilege to appear before you to discuss developments on narcotics interdiction at our Nation's borders and in particular operations in Puerto Rico, where Customs has enjoyed a long and productive relationship since the turn of this century.

The issue of drug interdiction is one of utmost priority to Customs. It's our No. 1 priority. As you may know, we are the lead agency for countering the transport of drugs by general aviation aircraft.

We also share the lead with the Coast Guard, our partners in the maritime smuggling interdiction arena.

Last year, Commissioner Weise appeared before the committee and discussed Operation Hard Line. He described to you that this was a case of good government tackling a dilemma head on.

The focus of Hard Line One was along the Southwest border. This takes the best from Customs' traditional enforcement, the investigative skills of the agent, the trained eye of the inspector, the keen senses of the K-9 Units, and adds to this mix new technologies and new techniques.

We are now in the midst, Mr. Chairman, of taking Operation Hard Line to the next levels, with Hard Line Two and Three. We're now extending our interdiction efforts and introducing a comprehensive system of disrupting the narcotics trafficker from San Diego now to, indeed, San Juan.

As was mentioned by Governor Rosselló earlier this morning, Operation Gateway is the new initiative that Customs has embarked on since March of this year, on the island of Puerto Rico.

This is a multidisciplinary, multiagency approach to the problem. This initiative encompasses all areas of interdiction, including the expanded marine and air enforcement, heightened cargo examinations, outbound initiatives, international and continental United States, and expanded small vessel searches.

It also calls for use of enhanced technology and additional inspectional investigative support, and the resources necessary for more effective interdiction strategy here on the island.

The Customs Service and the Government of Puerto Rico are beginning to commit resources and funding to initiate Operation Gateway this fiscal year. Recent news reports are calling Puerto Rico the new Miami as the center for narcotics activity in the Caribbean.

In Puerto Rico, cocaine seizures by Customs for the first half of fiscal year 1996 have increased 41 percent, from 8,943 pounds in fiscal year 1995, to 12,623 pounds thus far this fiscal year. In that same timeframe, heroin seizures have increased by over 600 percent, from 15.5 pounds in fiscal year 1995, to 119 pounds thus far this fiscal year.

The Puerto Rico area, according to our intelligence reports has the highest rate of noncommercial maritime and air smuggling activity of any Customs area along our borders. Detected smuggling activity alone occurs at least twice a week here on the island. Smugglers know that once they're in Puerto Rico, as was mentioned earlier by my colleague from DEA, they are effectively on the U.S. mainland.

We've taken a number of steps to give Gateway a jump start and we're going to take further steps. We plan very shortly, in the fall, to add two additional light enforcement helicopters to our fleet of aircraft at Ramey.

In addition, we plan to equip some of our light twin turboprop aircraft with state-of-the-art sensors to give them greater maritime detection capability, to replace the aging nomad aircraft that have been on the island for some time now, since 1985.

In addition, we're increasing the numbers of our inspectors and the numbers of our investigative agents on the island, as well as hiring an additional 20 pilots to help us to fly more flight hours, seeking the small airplane bringing in the drugs to drop them to the maritime vessel.

We're also conducting covert and overt enforcement in intelligence operations to combat international money laundering. Investigations are pursued by targeting violators at the highest possible level and dismantling their financial infrastructure and systems used to move illicit proceeds.

We'll include as well a number of special intensity enforcement programs. During fiscal 1996, we're detailing Customs inspectors and special agents to enhance our traditional approaches to the counternarcotics problem.

We'll also address the issues of offshore banking and the movement of electronic money by dedicating special agents to operate in the financial banking electronic money sector. A multifaceted approach will be used in cooperation with industry and other regulatory and enforcement agencies to develop regulations and enforcement programs designed to deter electronic money laundering, while not impeding the flow of legitimate capital.

We believe strongly in new technology as well. As a frame of reference, on an average basis per month, 6,000 containers come into the Port of San Juan or the ports here on the island, per month, from the international arena.

There's an additional exchange per month of 18,000 containers between the U.S. mainland and the island of Puerto Rico, a tremendous challenge, a labor intensive challenge, if you try to use manual labor to inspect this cargo and these containers.

So we believe that the solution is indeed technology and we have several initiatives in that area that we're working with the Department of Defense.

We do have some equipment on hand, an x ray—a hand-held portable contraband detector now available to us, known as the Buster, which, by the way, was recently instrumental in the detection of 44 pounds of heroin in a car.

And we have the truck x-ray system becoming available, being used for cargo in the near term here on the island. This piece of equipment has contributed to over 2,800 pounds of drug seizures thus far in 1996 fiscal, along the Southwest border, so we want to export that—or import that capability onto the island.

Our current development efforts emphasize x-ray systems to examine vehicles, containers, and fully loaded cargo pallets; a new generation of smaller and affordable drug vapor and particle detectors to improve our remote sensing capabilities; electronic systems and devices to expand and speed the flow of information about vehicles and cargo, and the persons arriving at our ports; and even low tech equipment, if it will help to get the job done.

I would be remiss today if I didn't mention the cooperation that we have with our partners in the Coast Guard, the tremendous support we receive from the Department of Defense in both Operation Gateway and other initiatives on the island, and the tremendous amount of support in particular from the Puerto Rican National Guard, who work side by side with us here in San Juan and various points along the island.

I should also mention that Customs, in addition to its support here in Puerto Rico, provides training to nations in the area to help them develop their own organic capabilities, which as an extension, should improve the regional capability to counter the trafficking of narcotics in the region.

We also have representation on the Caribbean Customs Enforcement Counsels.

As a final note, Mr. Chairman, we appreciate your committee's support of the administration's \$250 million supplemental request to help us do even better. We have included in the request for Customs an additional \$7 million, which will help us fund the flight hours of the light enforcement helicopters I talked about, help us fund the equipping of these light twin airplanes with that marine surveillance radar, to provide us more of the technology to work here at the port.

And I should also mention that the \$98 million that's in the \$250 million proposal for additional P3AW aircraft is important to us and the island. The extended range and endurance of these aircraft give us the capability to track drug traffickers from the source zone here to the island and back, and give us the continuity to be able to deny them the ability to bring drugs to the island.

[The prepared statement of Mr. Pothier follows:]

**Statement of Harvey G. Pothier
Director, Air Interdiction Division
Office of Investigations
U.S. Customs Service**

**Before the
House Committee on Government Reform and Oversight
Subcommittee on National Security,
International Affairs, and Criminal Justice**

June 10, 1996

Good morning, Mr. Chairman and Members of the Committee. On behalf of Commissioner Weise, I would like to begin by expressing sincere appreciation for the Committee's continuous support of the Customs Service.

It is my distinct pleasure to appear before you today to discuss developments in narcotics interdiction at our nation's borders and our operations in Puerto Rico. This is an issue that is of utmost importance to Customs because drug interdiction is the number one priority of our Agency, and the Caribbean area, specifically Puerto Rico and the U.S. Virgin Islands, has emerged as a vital strategic location for the introduction and transshipment of narcotics into the United States and Europe. —

In April of this year, the Administration submitted a \$250 million reprogramming request to intensify our Nation's drug law enforcement, treatment, and prevention efforts. Under the direction of ONDCP, Customs helped formulate this package whose funds would be used in part by Customs to acquire equipment for drug interdiction purposes in Puerto Rico. We strongly support this request and hope that the Members of this Subcommittee will support the Administration.

When Commissioner Weise appeared before you last year, he described Operation Hard Line along with some of our other initiatives. He will appear before you later this week to discuss Customs initiatives on the Southwest border, including Operation Hard Line.

The President's FY 1997 budget request includes \$65 million for a continuation of Customs drug interdiction initiative on the Southwest border - Operation Hard Line. The \$65 million will provide for additional inspectors, special agents, canine enforcement officers and investigative and support personnel, more technology for non-intrusive inspection of trucks, portable TECS terminals and additional security for seizure vaults. The requested staffing will cover pre-primary roving, secondary inspections, truck primaries and exit gates and cargo docks (to

fill bays and search cargo); and address overtime. We urge you to support the FY 1997 request.

To begin my testimony today about developments in stopping the flow of illegal drugs into and through Puerto Rico, I would like to begin by briefly synthesizing Customs' philosophy for interdiction: The philosophy underlying Customs' operations is that good law enforcement is based upon intelligence, not luck; it should use all of its resources in combination, not individually; it should require the trade community to play a critical part in both catching smugglers and in deterring them; and it should recognize that smuggling is an organized, international enterprise. It takes skill and ability to recognize problem areas and to take corrective action as expeditiously as possible.

Operation Hard Line, which began last year, is a case of good government tackling a dilemma head on. Hard Line takes the best from Customs traditional enforcement -- the investigative skills of the agent, the trained eye of the inspector, the keen senses of Customs Canine units -- and adds to this mix new technologies and new techniques to unilaterally and, in conjunction with other law enforcement agencies, attack the invasion of illegal narcotics into the United States. The U.S. Customs Service is now in the midst of taking Operation Hard Line to the next levels with Hard Line II and III.

While the Southwest border remains the current focal point in Customs interdiction efforts, we are now extending our efforts and introducing a comprehensive system of disrupting the narcotics trafficker from San Diego to San Juan. Indications that Customs is continuing to impact the cocaine trafficking routes across the Southwest border are becoming more and more apparent. During Fiscal Year 1995, cocaine seizures increased along the Southwest border, due in large part to efforts with Operation Hard Line. Intelligence reports that the primary cocaine route was via Mexico were proven true. However, it now appears that the traffickers are making greater use of routes which were predominate in the 1980's, the Caribbean and South Florida.

To address this situation, Customs, as part of Hard Line II, along with the Government of Puerto Rico, is implementing Operation GATEWAY. Operation GATEWAY is a multi-disciplinary, multi-agency approach to the problem of narcotics smuggling and money-laundering in the Caribbean. This initiative encompasses all areas of interdiction, including: expanded marine and air enforcement, heightened cargo examinations, outbound initiatives (international and continental U.S.), and expanded small vessel searches. It also calls for use of enhanced technology, additional inspectional and investigative support, and the

resources necessary for a more effective interdiction strategy.

The mission of Operation GATEWAY is to advance a complete and unified securing of Puerto Rico, the U.S. Virgin Islands, and their surrounding waters and airspace from narcotic smugglers. For too long, law enforcement interdiction operations have reacted to smuggler methodologies: GATEWAY is designed to steer the smuggler into areas of operations that Customs controls. GATEWAY is a multi-staged attack against smuggling, beginning with operations designed to address the air and maritime threat which would then hopefully force the smugglers into the cargo and passenger areas that would be enhanced with the tools and manpower to detect the incoming narcotics. Operation GATEWAY is a key element in Hard Line II and the next link in the construction of our fence from San Diego to San Juan that will deter the use of our country's backyard by narcotic smugglers.

The Customs Service and the Government of Puerto Rico are beginning to commit resources and funding to initiate Operation GATEWAY in FY 1996. This will allow us, similar to the start of Operation Hard Line on the Southwest border, to address the problem in Puerto Rico and the U.S. Virgin Islands. We are also currently exploring funding options that might be available under current authorizations.

Recent news reports are calling Puerto Rico "the new Miami" as the center for narcotics activity in the Caribbean. In Puerto Rico, cocaine seizures by Customs for the first half of Fiscal Year 1996 have increased 41 percent: from 8,943 pounds in FY 1995 to 12,623 pounds in FY 1996. In that same time frame, heroin seizures have increased by over 600 percent: from 15.5 pounds to 119.1 pounds.

The Puerto Rico area, according to Customs intelligence reports, has the highest rate of non-commercial maritime and airdrop smuggling activity of any Customs area. Detected smuggling activity alone occurs at least twice each week. Bales of cocaine and marijuana are frequently found floating or washed up on beaches. Smugglers know that once they are in Puerto Rico, they are in the U.S. and not typically vulnerable to a Customs search upon leaving Puerto Rico. Drug smuggling groups also use various vessel types to transport large loads up through the Lesser Antilles where the drugs are then transshipped by pleasure craft to Puerto Rico.

Whether transporting the drugs directly by vessel from Colombia to Puerto Rico or by dropping the drugs from aircraft to waiting vessels in the Caribbean for delivery to Puerto Rico, this trafficking trend poses a tremendous threat. Once the drugs are in Puerto Rico they may as well be in our hometowns.

To enhance our ability to identify, intercept and apprehend suspected drug trafficking aircraft and vessels in the Puerto Rico area, Customs has taken a number of steps to increase and improve the resources of the Office of Investigations and the Caribbean Air Branch in Puerto Rico. Two new AS-350 light enforcement helicopters will be deployed to the Air Branch this fall. We also plan to equip some light twin turbo-prop aircraft with maritime search and surveillance sensor suites to replace the aging fleet of Customs Nomad aircraft in Puerto Rico. In support of Operation Gateway, the Customs Service's plans call for increasing the number of vessels assigned to Puerto Rico and the U.S. Virgin Islands by seven interceptor type vessels.

Along with the increase in the number of vessels and aircraft, it is anticipated that the number of U.S. Customs enforcement personnel assigned to Puerto Rico and the U.S. Virgin Islands will be increased by nearly 100 positions which will include inspectors, pilots, agents, marine enforcement officers, and intelligence analysts.

The United States Coast Guard is working closely with the Customs Service and other federal agencies in the collection and sharing of intelligence and interdiction information. Coast Guard air and marine assets also work closely with Customs units during marine interdiction operations.

For the past two years, flights of general aviation aircraft that can transport up to 2,200 pounds of cocaine increased in the area in the Anegada Passage, east of Puerto Rico. The loads are airdropped to waiting go-fast type boats that then take the loads ashore directly to Puerto Rico. Or the smugglers go to nearby foreign islands and keys where they wait for the situation to settle down, for law enforcement to return home, and then transport the cocaine to Puerto Rico, landing it at their choice of marinas, beaches, coves, or inlets.

Alien smuggling into Puerto Rico also poses a great drug trafficking threat to the island. Oftentimes, because of the tremendous profit in the trafficking of drugs, alien smuggling yolas will also be laden with cocaine or marijuana. The United States Border Patrol has also seen an increasing trend of using larger alien smuggling yolas as a diversion for smaller drug laden vessels. In January of 1995, Customs and the U.S. Border Patrol seized 930 kilograms of cocaine from a vessel in Puerto Rico that was accompanied by a larger "diversion" yola smuggling 60 illegal aliens.

While on routine patrol searching for drug trafficking aircraft and vessels, Customs aircraft, particularly the Nomad, have provided collateral support to the U.S. Border Patrol in their efforts to address this problem by coincidentally detecting,

surveilling and vectoring U.S. Border Patrol apprehension forces to alien smuggling vessels. Since Fiscal Year 1995, these coincidental Customs Aviation detections have directly contributed to the apprehension of 3,474 illegal aliens.

Currently, the price of narcotics in Puerto Rico and the U.S. Virgin Islands is at the lowest in the United States, second only to South American prices, and local usage has skyrocketed. Existing estimates indicate that most crimes committed in Puerto Rico are narcotics related. Investigative efforts have also disclosed that the illegal proceeds funneled through financial institutions in Puerto Rico are both returned to the continental United States to fund cartel distribution cells and laundered through cartel bank havens in the Caribbean area for transfer to the cartels in South America. Further intelligence has been developed through investigations that smugglers have established bases of operations in other Caribbean countries.

In supporting the interdiction efforts of Operation Gateway, the U.S. Customs Service is conducting covert and overt enforcement and intelligence operations to combat international money laundering. These operations seek to identify, disrupt and dismantle those systems and criminal organizations who use those systems to launder the proceeds generated by narcotics and other specified unlawful activities to include fraud, smuggling and export violations. Investigations are pursued by targeting violators at the highest possible level and dismantling their financial infrastructure and systems used to move illicit proceeds.

Customs has also established an Intelligence Collection Analysis Team or ICAT in Puerto Rico to aggressively pursue one of Customs primary goals: collecting, analyzing, and disseminating additional intelligence related to drug smuggling. The ICATs are cross-functional multi-discipline intelligence production teams that take full advantage of the individual talents and job experiences of the inspector, agent, and intelligence analyst. The ICATs are the centralized field mechanism for collection, exploitation, and dissemination of locally generated and nationallevel intelligence for the geographic area covered by the ICAT. The establishment of a multi-discipline concept provides a "place where people can go" to provide intelligence and information that heretofore was not being provided. The ICAT groups also utilize information available from local sources such as informants, local shipping sources, newspapers, etc. Along the Southwest border, where ICATs have existed for nearly a year, they have significantly stepped up the volume and quality of intelligence. The ICATs are also producing excellent and detailed post seizure analyses which, in and of themselves, are valuable intelligence documents.

Operation Gateway will include a number of special intensive enforcement programs. These short-term "pulse and surge" narcotics interdiction programs will enhance our traditional approaches to the counter-narcotics problem. During FY 1996, Customs is detailing Customs inspectors and Special Agents to Puerto Rico to enhance our traditional approaches to the counter-narcotics problem.

In addition, Customs will use an inter-disciplinary problem solving team approach, focusing on the country and systems-specific threats related to outbound currency enforcement. Customs will also address the issues of offshore banking and the movement of electronic money by dedicating special agents to operate in the financial banking/electronic money sector. A multi-faceted approach will be used in cooperation with industry and other regulatory and enforcement agencies to develop regulations and enforcement programs designed to deter electronic money laundering while not impeding the flow of legitimate capital.

The assistance provided by the Department of Defense in counter-drug law enforcement has been invaluable and is, in large measure, directly responsible for U.S. Customs achieving numerous drug seizures and related arrests. As a force multiplier, the National Guard personnel supplement existing Customs staff, thereby increasing the number of examinations conducted on high-risk shipments and conveyances, and more importantly, increasing the intensity and scope of these examinations. The added manpower also decreases the inspection time per shipment and conveyance. The U.S. Customs is grateful for this vital assistance.

The Customs Service believes strongly in new technology and is responsible for the development and application of the most successful drug detection technology in use today. Current equipment ranges from the handheld portable contraband detector, or Buster, which recently was instrumental in the detection of 44 pounds of heroin in a car, to the truck X-ray system on the California border which has contributed to over 2,800 pounds of drug seizures thus far in FY 1996. The Customs inspector depends on these detection devices along with a variety of information systems and other tools to cope with his growing responsibilities for narcotics interdiction as well as for the detection of explosives, weapons, currency, and other prohibited or controlled materials. As a result, we must continue to look for new technologies that will improve the inspector's productivity and efficiency.

Our current development efforts emphasize X-ray systems to examine vehicles, containers, and fully-loaded cargo pallets; a new generation of smaller and affordable drug vapor and particle

detectors to improve our remote sensing capabilities; electronic systems and devices to expand and speed the flow of information about vehicles, cargoes, and persons arriving at our ports; and even "low-tech" equipment if it will help get the job done better. In many of these development areas we are assisted by the funding and resources of the Department of Defense. The technology problem we are finding most difficult at this time is the rapid examination of sea-going containers; existing technologies appear to be neither practical nor affordable, and potential solutions being developed by the DoD are still more than a year from completion of the first full-scale prototypes. In the meantime, we must pursue the innovative use of smaller devices, targeting systems, and new procedures to deal with this serious threat.

We have briefed DEA, the U.S. Immigration and Naturalization Service's Border Patrol and other agencies on these programs and our goals so that they too can integrate their operations into ours.

In conclusion, Operation Gateway is off to an extremely promising start and promises to be even more so in the future. But, we will not rest. While Gateway is an example of how law enforcement agencies, working in concert, can meet the challenges posed by drug lords and smugglers, Customs' ultimate objective is to develop an interlocking system of enforcement measures that permanently and comprehensively harden our ports of entry across the entire southern U.S. tier. For Puerto Rico, this means a regular review of Operation Gateway's methods and results. Drug smugglers have a tremendous capacity for change and innovation, and Customs must be prepared to counter their moves quickly and efficiently in order to continuously disrupt their infrastructure and hierarchy.

Operation Gateway builds on the narcotics interdiction programs implemented by Customs over the last two decades and supplements them with new techniques and approaches outlined herein.

As Commissioner Weise stated in his letter to Customs employees on the first anniversary of Operation Hard Line, no mission of the Customs Service is more important than effectively carrying out our drug interdiction responsibilities. In doing so, we must keep in mind that Customs' underlying philosophy is smart enforcement, not lucky enforcement.

Thank you again for this opportunity to appear before the Committee. You have provided tremendous support to us in the past and the U.S. Customs Service looks forward to working with you in the future.

I would be glad to take any questions you may have at this time.

Mr. HASTERT. P3's are already there, aren't they; they just need to be directed; is that correct?

Mr. POTHIER. We have four in our inventory now; they are providing support in the source zone, and periodically provide support to the island.

My point is, with two additional, we'll be able to do more.

Mr. HASTERT. Right.

Mr. POTHIER. Thank you again for the opportunity to appear before this committee. You've provided tremendous support to us in the past and we look forward to working with you in the future.

Mr. HASTERT. Well, thank you very much.

Certainly it's been very valuable testimony.

I'd like to have one quick followup question to each of you and then one general question, if I may.

First of all, Admiral Loy, can you tell us about the cooperation with the Dutch, the French, and the British, that you've had?

Vice Admiral LOY. Yes, sir. Over the course of the last several years, we have had an infusion of effort on the part of all three of those nations that you just mentioned.

With respect to the Dutch and the British, the first significant thing is to note that they have for years, both nations, circulated through the Caribbean for presence purposes, frigate size vessels.

We have been, over the course of the last several years, honored to place aboard those vessels now, law enforcement detachments, Coast Guard Officers and Petty Officers that bring to them the capability and the expertise necessary to ply these waters as an asset of opportunity, if you will, while they are here.

In the recent past, the last 6 months, for example, those activities have really proven to be a boon to our success. The HMS Brave and the HMS Argyle, the last two Royal Naval vessels, who have been here doing that, have both had significant seizures.

They check in now, as they enter these waters, with a briefing associated with what the potential could be for them in the counternarcotics business here, and they focus on it, such that it's now among their very highest priorities while they're in the Caribbean.

The Dutch are also standing up, sir, a Netherlands Antilles Coast Guard. They had the ceremony standing that organization up just in January. They are in the business of acquiring assets for them, building stations for them in three different locations in the Caribbean.

And the net gain is that they become partners in this business, which does not necessarily put every paycheck for something that needs to be accomplished back in the hands of either the administration or the Congress back in Washington, DC.

I would also add, sir, that the regional security system nations, those seven island nations of the Eastern Caribbean, have all, with the exception of Barbados, which is literally right around the corner, become signatory to bilateral agreements with the United States. This allows us to meet a specific objective that I had a couple of years ago, which was, if possible, to take the territorial sea and air space of those island nations away from the smuggler, which heretofore, he had been able to use with impunity as virtually a safe haven, enabling him to sort of walk the island chain

from Venezuela all the way to San Juan without the opportunity to be grabbed by an interdiction asset along the way.

So there is great cooperation, sir, from those nations.

Mr. HASTERT. Well, let me note that we have a distinguished member of the Dutch Navy attending this today and we certainly appreciate his being here.

Vice Admiral LOY. Yes, sir.

Mr. HASTERT. Special Agent Jimenez, you talk about tons of cocaine and dollars.

In human terms, can you talk a little bit about the violence that—especially the Colombian drug traffickers bring and what their regard for life is, and what kind of dynamic that brings to a place like Puerto Rico, or to Mexico, or to the United States?

Mr. JIMENEZ. Absolutely, Mr. Chairman.

We estimate that 90 percent of the violence happening in Puerto Rico is drug related. In fact, the Drug Enforcement Administration have implemented programs in Puerto Rico, doing innovative techniques in title 3's wire intercept communications.

And we have detected and we have gathered intelligence that information coming from Colombia and South America to go after people who fail to pay their debts in cocaine or heroin are being instructed by these cartels into Puerto Rico.

We see a dramatic increase in crime and it definitely is drug related.

Mr. HASTERT. So most of the violent crime here is drug related.

Mr. JIMENEZ. Absolutely.

Mr. HASTERT. Thank you.

Director Pothier, you talked about interdiction at airports and so did—Chief Toledo talked about this also, and you talked about the cooperation.

Now, all luggage that goes from Puerto Rico to the United States is x-rayed. I assume that there's drug dogs that are drug sensitive there.

Mr. POTHIER. That is correct.

Mr. HASTERT. But yet I'm surprised, I was under the impression that a lot more of that transshipment is taking place just in everyday suitcases that come off of—that get put on airplanes.

Is there an effort to try to step us that interdiction?

Mr. POTHIER. I believe I'd answer this way: the dogs have served as an effective deterrent.

When we first began this program some years ago, the results were pretty impressive. We've seen now that the word has gotten out through the community that we're doing this, and so predictably, we're not finding as much as we did before.

Mr. HASTERT. As you squeezed the balloon, as the Governor said.

Mr. POTHIER. It's the same result.

Mr. HASTERT. Where else does that go? What other types of methods of transportation happen then?

Mr. POTHIER. It's our belief that more of it is beginning to appear in cargo vessels and the containers, which are very difficult to detect.

Mr. HASTERT. So you need the other technology—

Mr. POTHIER. Exactly.

Mr. HASTERT [continuing]. To be able to attract that.

Mr. POTHIER. Yes.

Mr. HASTERT. Let me ask you all one question that you can respond to as quickly as possible.

Let's pretend it's 3 weeks before Christmas. Well, actually it's 3 weeks before appropriations start to be finalized, so let me ask you this.

If you had your choice, what—this year and next year—what assets do you definitely need and how can we help you get those assets in place, and I'll start with you, Admiral Loy.

Vice Admiral LOY. Sir, the—

Mr. HASTERT. Additional assets.

Vice Admiral LOY. I understand.

I'd answer that question this way.

In 1990, the Coast Guard's floor of investment against counternarcotics was in the \$630 million range.

In 1994, it had gone to about \$234 million, and for 1997, it appears to be looking at around \$340 million or so.

There's a differential there, associated with the wherewithal to conduct business, and that's recognition that I think is in order.

Now this is sort of a simple sailor from New York trying to portray that as opposed to a learned budget builder in Washington, which I need to get to be pretty quickly in my new job.

But nonetheless, as I mentioned in my opening remarks, we would be very interested in the technology associated with sensors and the technology associated with staying ahead tactically of the smuggler, vis a vis his ability to communicate and our ability to detect that, and therefore, increase the margin for success in the transit zone.

Mr. HASTERT. Specifically, communications, what do you need?

Vice Admiral LOY. Frankly, sir, it's a matter of systems that allow us to continue to be interoperable. I can provide a list to the committee, if that's helpful—

Mr. HASTERT. Right.

Vice Admiral LOY [continuing]. But it's a matter of systems that allow us to be interoperable with the other assets involved in the game, whether that is local officials here in a forum, whether it's interoperable with the U.S. Navy or the Dutch Navy on the high seas of the Caribbean, or whether it's interoperable with the foreign nations as they find their way into the game.

Second, the technology associated with sensors, as Mr. Pothier was describing, need to have an at sea phase to them. For example: we are first of all interested in space accountability at sea. If we can find—you have all heard the horror stories associated with the places one finds drugs on vessels at sea—we need to find systems that allow us to guarantee 100 percent space accountability of the vessels as we inspect them.

This is far more easier on a 30 foot or 40 foot "go fast," far more difficult on a freighter carrying whatever it might be carrying.

Mr. HASTERT. The reason I try to be specific, if I have to go back and talk to Mr. Wolf or his staff, if I could paint a picture it's much

easier.

Vice Admiral LOY. Yes, sir.

Let me, if I may, provide you that separately.

Mr. HASTERT. Fine.

[The information referred to follows:]

U.S. Coast Guard FY97 Drug Law Enforcement Resource Gap

This proposal represents \$200M requirement for Coast Guard Drug Law Enforcement over and above the FY97 Operating Expense and Capital Improvement Base.

Resource Category	Total\$
Aircraft and Flight Hours	\$39.0M
Cutters and Cutter Hours	\$60.9M
Personnel Augments for Command and Control/Intel/Trng	\$9.5M
Aircraft Parts/Maintenance for deployment	\$18.7M
Technology and Sensors	\$71.9M
Total:	\$200.0M

Vice Admiral LOY. I'll be glad to help you paint that picture.

Mr. HASTERT. Thank you very much.

Special Agent Jimenez.

Mr. JIMENEZ. Following the history on drug enforcement, in the mid-seventies to the eighties, the threat was in south Florida. The Federal Government created a task force, moved resources into that area, and that caused the traffickers to move to the Southwest border.

In the early nineties, the Federal Government moved all the resources to the Southwest border and that resulted in the traffickers, the cartels, to start using Eastern Caribbean islands and Puerto Rico, to bring the cocaine and now the heroin, into the United States.

With that analysis, I believe that we need to increase a number of law enforcement officers to attack this major problem that is devastating Puerto Rico and the islands in the vicinity.

Without the increase of the resources, law enforcement and the entire Federal system.

Mr. HASTERT. How many?

Mr. JIMENEZ. Well, I would say that we need immediately a 25 percent increase to be successful in the region.

Mr. HASTERT. Thank you very much.

Director Pothier.

Mr. POTHIER. I think we have a window of opportunity here, Mr. Chairman.

There's a tremendous number of engineers who have dedicated their talents developing technology for other national security purposes, who can now be made available to provide us some very exciting equipment that will help us counter this volume of containers and the like, and trucks that we're having to contend with.

We, for example, are going to have available to us very shortly a cargo pallet x-ray system that will handle pallets up to 4,000 pounds that are 6 feet high. We haven't had that ability before.

This will be good for both seagoing containers and air containers aboard airlines that we can quickly look through.

We have drive-through x rays along the Southwest border now. In 18 minutes we can drive a truck through and get some indication if there are drugs in the panel, for example. There are containers that have 2 million electron volts that cost about \$6 million, that are going to become available to us, that will look inside containers, even to a greater depth, so they can look into the cargo and not just the shell of the vehicle.

There are the drug vapor detectors that are coming on line. The good news is this stuff is becoming available. The bad news is they cost a lot of money.

And I think my short answer is, more investment in technology will——

Mr. HASTERT. How many dollars do you need? Give me a——

Vice Admiral LOY. Well, I think the community would need probably enough to have one at each port of entry along the Southwest border, one in each port here.

Mr. HASTERT. \$5 million, \$10 million, \$20 million?

Vice Admiral LOY. I'm going to take a guess, for the community about \$10 million would be a real good jump start at making this equipment available.

Mr. HASTERT. Thank you, thank you very much.

Vice Admiral LOY. Sir, if I may, the other thought that I would offer there is, there was some itemization associated with the \$250 million process—

Mr. HASTERT. Right, I know that.

Vice Admiral LOY [continuing]. And that would be a good place to start.

Mr. HASTERT. So that's No. 1 priority?

Vice Admiral LOY. Yes, sir.

Mr. HASTERT. Great.

Mr. ROMERO-BARCELÓ. Thank you, Mr. Chairman.

Commander, how many miles of frontier between from Texas to California, do you know how many in the Southwest?

Vice Admiral LOY. Of the Southwest border?

Mr. ROMERO-BARCELÓ. Yes.

Vice Admiral LOY. I'd say it's 1,800 to 2,000 miles.

Mr. ROMERO-BARCELÓ. 1,800 to 2,000.

And in Puerto Rico, they have about 300 miles of coast, right, approximately?

Vice Admiral LOY. Right.

Mr. ROMERO-BARCELÓ. And we have—in the Southwest border you have about 70 percent of the drug comes in through the south, through those 1,800 to 2,000 miles.

In Puerto Rico, 26 percent of it comes through the 300 mile coastline.

Would you say that we have in Puerto Rico a third of the funds that are dedicated in the Southwest to controlling the borders?

Vice Admiral LOY. I don't have a very good feeling, sir, for that number in terms of the differential between total investment of effort here versus the Southwest border.

Harv, do you?

Mr. POTHIER. We could provide that for the record.

Mr. ROMERO-BARCELÓ. Yes, I would like that, because it's been my experience that—

Vice Admiral LOY. I understand where you're going with the question, sir.

Mr. ROMERO-BARCELÓ. Right.

Vice Admiral LOY. It's a very logical path. I just don't have the number.

Mr. ROMERO-BARCELÓ. Yes, I just wanted to, you know, my experience, for the record, has been that because of our lack of political leverage in the Congress and in the Federal administration, usually there's a shortage of funding for many of the Federal programs in Puerto Rico compared to what they are in the States.

Now, since we're dealing with something that is so urgent and so important, such as drug trafficking, I am concerned that the funds allowed, allocated to Puerto Rico, are not comparable to funds allocated somewhere else, even though, when you take a look at the coastline, a 300 mile coastline, where 26 percent of the drugs are coming in, then there's much more intensity through Puerto Rico than the intensity in the Southwest border.

So, we——

Vice Admiral LOY. I understand your question, and I'm sorry I just don't have the number.

Mr. ROMERO-BARCELÓ. I would appreciate it if you could give us some facts on that so that we can make comparable——

Mr. POTHIER. If I might, we in Customs, have reprogrammed \$5 million from other initiatives, to help us get Gateway started this way, and that added to the \$2.4 million contribution from the Government and the \$700,000 from HIDTA will help us kind of balance the scales and provide that kind of emphasis here this fiscal year.

Mr. ROMERO-BARCELÓ. Do you feel, for instance, that you have enough aircraft in Puerto Rico, with the other two that you're going to get or you would still need more?

Mr. POTHIER. We believe that we want to see how—what dimension that gives us and then we would be able to give you a better educated answer later.

Mr. ROMERO-BARCELÓ. I understand. You can't say anything else.

Mr. Jimenez, when you—in your testimony you talked about the—in your written testimony, about the success in the Southwest border had an impact in the Caribbean.

Can you expand a little bit on this topic?

Mr. JIMENEZ. OK. As I testified before, Mr. Romero, Governor Rosselló described the situation in Puerto Rico very well. He said balloon effect.

In the 1970's and early 80's, the problem was in the Bahamas, and the traffickers, with the pressure that we put in law enforcement in Bahamas and south Florida, forced them to move to Southwest border.

In the Southwest border we again regrouped, the Federal agencies working in conjunction with the State agencies and basically we put a blockade of these cartels and Mexican organizations in bringing the cocaine across the border.

These have forced these cartel organizations to start using the Eastern Caribbean Islands.

We have detected this with intelligence and the amount of cocaine that we have seized in the past recent years.

For example, we estimate that approximately 7 tons of cocaine enter every month and pass through Puerto Rico, which gives us a total of 84 metric tons of cocaine on a yearly basis.

If we don't do something soon, this amount of cocaine definitely will increase in the near future.

Mr. ROMERO-BARCELÓ. And that you should imagine the price of cocaine here in Puerto Rico is the lowest in the Nation, contrary to popular thought. The lower the price of cocaine, the more users there are going to be.

Mr. JIMENEZ. Absolutely.

Mr. ROMERO-BARCELÓ. Am I correct in making that statement?

Mr. JIMENEZ. Yes, sir.

Mr. ROMERO-BARCELÓ. OK.

Mr. Jimenez, also on the testimony, in your written testimony, you mention the Dominican factor and it's setback on drug smuggling and you also mention the Colombian cartels' presence in the region.

Can you compare and distinguish their function or their operations here in the Caribbean area, particularly around Puerto Rico, between the—what is the Dominican presence; what are they doing; how serious is it; and also the Colombian cartels?

Mr. JIMENEZ. OK. With the success that we had—successful operations that we had in the Southwest border, the cartels were using the Mexicans to be part of the smuggling of the cocaine into the United States.

Since now the Mexican border is not as convenient for the cartels, the Colombian organizations now are using other nationalities, and the most common known by us in the continental United States are the Dominicans, who are responsible for the distribution and the collection of the proceeds of this cocaine.

Also, intelligence reflects that these Dominican organizations are responsible for receiving the shipments of cocaine into the Eastern Caribbean Islands, bring it into Puerto Rico, and then continue to the continental United States where they are responsible for the final distribution.

So they are very responsible. They are significant in the new developments in the traffic and distribution.

Mr. ROMERO-BARCELÓ. Thank you.

Mr. MICA. I have several questions for the panelists.

First of all, Mr. Jimenez, we heard the description of a reduction in force toward the drug effort from Coast Guard and from Customs.

What has been the status of commitment of personnel from 1992 to present, as far as DEA?

Mr. JIMENEZ. Well, since my arrival to—and the creation of the Caribbean Field Division, I have received full support of my administration in the increase of manpower into Puerto Rico.

Since October 1st to the present, we have increased the staffing of DEA in the region by 12 special agents and some administrative support personnel.

I do have the commitment from my administrator to continue the increase of personnel in the region, as well as administrative personnel.

Mr. MICA. But one of the things that you related in your testimony was that drug connected murders accounted for 14 percent of the murders in 1991.

In 1995, last year, it skyrocketed to 64 percent—

Mr. JIMENEZ. Right.

Mr. MICA [continuing]. A four fold increase.

Mr. JIMENEZ. Right.

Mr. MICA. So the number of murders is going down overall, but the number of murders connected to—directly connected to drug trafficking is going up; is that correct?

Mr. JIMENEZ. That's correct, sir.

Mr. MICA. What do you attribute that to?

Mr. JIMENEZ. As I mentioned in my testimony, cocaine is readily available in Puerto Rico and in the Caribbean, the Caribbean Basin.

Colombian cartels are now paying these organizations with cocaine. So that means that cocaine is very cheap, very pure, and is

readily available. So that motivates and that creates more distribution organizations within Puerto Rico.

And when one organization attempts to make distributions in these "puntos," which means distribution centers, one tries to invade that territory, that's when the war starts, and that's when these murders are caused by this drug trafficking activity.

Mr. MICA. Now when you have drug trafficking, you usually have the problem of corruption of the local police force or those involved in the war.

What's been the situation here? Has it also corrupted some of the locals?

Mr. JIMENEZ. Well, corruption exists everywhere. I am not saying that this is a systematic problem in Puerto Rico, but we do have identified corruption within Government in Puerto Rico.

Mr. MICA. You have identified it and you're pursuing it; is that—

Mr. JIMENEZ. Yes, sir. We actively are working in conjunction with Superintendent Toledo, when it's appropriate to work with the police, or we also have—especially in my office, we have representatives from the Department of Justice, that they have the task to work corruption within the Puerto Rican Government, and they work in conjunction with me in that endeavor.

Mr. MICA. Do you have enough resources to make sure that we keep a level of corruption down as far as those involved in the war?

Mr. JIMENEZ. We—in this business never is enough. We are doing our best and I consider that we are fairly successful, however, we need more of everything.

Mr. MICA. Your testimony—I read the testimony. It sounded a lot like my district, San Juan.

I had gotten a copy when I made my opening statements, but you said drug related carjackings, drive by shootings and cold blooded murders for revenge have plagued the mainland's major urban areas, and then in 1994, the brother of Secretary of Justice was killed by a carjacking—

Mr. JIMENEZ. Right.

Mr. MICA [continuing]. So it sounds like a gangland style killings are becoming more prevalent and directly connected to drug activities.

And you also said that you expect growing violence against law enforcement officials, in your testimony. Is that also something you're preparing for?

Mr. JIMENEZ. Yes, sir.

We have developed intelligence networks. As I mentioned before, we are using sophisticated techniques, title 3's, which are wired intercepts. We have—we're training Colombian and foreign officials. We are sharing information with all these governments. And I feel we are a little bit ahead of the curve in those initiatives.

However, since the cocaine price is so cheap, it's more difficult than any other districts in the United States.

I wanted to add, Mr. Mica, I had the great opportunity to serve in your Congressional District 12 years ago. I was a special agent in charge in Orlando. I am very well familiar with your district.

And the good thing about it is that now you have a number of police officers in your district who are police managers. The Sheriff

of Seminole County worked directly for me. He was personally trained due to my tenure in Orlando. The Chief of Police in Winter Park. The Sheriff in Lake County and so on. We have a lot in common because Orlando also is used as one of the ports of entry of cocaine into the continental United States.

Mr. MICA. We are seeing obviously the same problems now in the community you saw there 12 years ago and that I saw 24 hours ago, unfortunately is dramatically impacted by this narcotic trafficking and drug abuse.

The thing that concerns me is that the resources in the last 36 months, since I've been in Congress, have been directed toward drug treatment and some toward education, not much, but mostly toward treating the wounded in the battle.

And I'm concerned when Admiral Loy tells me he's gone from \$630 million and he's hoping for what, \$340 million for his effort, and when I hear our Customs folks talking about—and correct me if I'm wrong—did you say you went from 11 falcons flying in 1992, you're down to 2?

Mr. POTHIER. That was the Coast Guard, sir.

Mr. MICA. Was it Coast Guard?

Vice Admiral LOY. That's dedicated—those aircraft have been employed in the business and it's that particular kind of asset, in fact, that we could bring back to the fight, given the funding levels that we're talking about, sir.

Mr. MICA. I have another question about diversion of resources, and I know you have many missions besides the drug war and one is, we heard the Puerto Rican officials testify about it, the problem about migrants—

Vice Admiral LOY. Yes, sir.

Mr. MICA [continuing]. Immigrants coming from both Dominican Republic, Haiti and other areas.

Are you required to devote a great deal of your resources toward this effort and what kind of impact has that had on our efforts to counter narcotics traffic?

Vice Admiral LOY. Sir, in 1993 and 1994, especially, part of the reason for that dollar value that is a factual aftermath from actual use as opposed to planned use, it is a reflection of the fact that we had the mass migrations from both Haiti and Cuba to deal with at sea during 1994. As a result, clearly assets that otherwise would have been dedicated to the counternarcotics effort, were in fact used there for those mass migration efforts.

As I mentioned, we hope that because of the May 1995 accord with Cuba and the direct repatriation opportunities that we have, that those genies are back in the bottle for the moment and our assets will be dedicated as they are now.

I have perhaps 50 to 55 percent of my major cutters and aircraft assets devoted exclusively to the drug war.

Mr. MICA. One of the things that concerns me is that I've seen now an increase in the Haitian migration attempts. We had about 66, I think last week in south Florida, and I think one of your folks told me, and correct me if I'm wrong, 209 have come in in the last month or so, or that you've picked up; is that correct?

Vice Admiral LOY. That sounds like a reasonable number, sir. Those are not tripping the wire, if you will, or mass migration or mass exodus.

Mr. MICA. Is that sort of SOP?

Vice Admiral LOY. It is sort of standard operating procedure [SOP] as it relates to the season of the year and the anticipated quieter waters of the Florida Straits at this time of year, through the summer months.

Mr. MICA. I have another question for—for all three of you.

One is, we heard the local officials say that things were working well and people were working together. As far as the U.S. agencies with the local officials, I want your assessment of that; that's the first part of the question.

The second part of the question is: what about your working with each other and other agencies—and this is a multifaceted, multi-jurisdictional responsibility, the drug war. We've got DOD; we've got Treasury; we've got Department of Transportation; we've got Department of Justice; multifaceted.

So first we'll start with you, Mr. Jimenez.

Assess your efforts with the local efforts and is it all that it's cracked up to be?

Mr. JIMENEZ. Mr. Mica, I have worked in a number of offices in the continental United States. I have never seen in the entire—in my career of law enforcement, 27 years, how well we work with the local Government in Puerto Rico.

Cooperation is outstanding. I can—I personally have access to all Government officials. Anytime that I need assistance from any of the local agencies, I receive the support from them.

I can tell you right now, just the police have assigned an excess of 50 police officers to work in conjunction with the Drug Enforcement Administration number of initiatives that we are taking charge in this drug war.

We have a task force that we just started Monday at the airport. Right now we are concentrating our efforts at the Luz Munoz Marin Airport to detect cocaine and heroin leaving Puerto Rico and to attack the money coming from the United States, continental United States, en route to Santo Domingo or to Colombia. The relationship is outstanding.

In regards to Federal agencies, the same. We have very good cooperation, exchange of intelligence. We have HIDTA, High Intensity Drug Trafficking Area task force in San Juan, in Fajardo and the Virgin Islands. The relationship could not be described less than outstanding.

Mr. MICA. Thank you.

Admiral Loy.

Vice Admiral LOY. Sir, first of all, I agree with Mr. Ramirez. I, too, have been involved in this for a long time, especially in the early 1980's, when almost a sign of what was going on was how thick the turf battles were among Federal agencies. That is days thankfully long behind us.

There was a meeting on a daily basis here, sir, called the "CLIC," which is hosted by Tom Bernard, Captain Tom Bernard here at the Command Center for the Coast Guard Command here in San Juan.

At that meeting, all of the players that you just mentioned are in attendance to understand, learn lessons from yesterday, plan the next day, or 2, or 3 weeks worth of work, so as to make certain that there are no steps—or toes being stepped on by each other.

That includes not only the Federal Government agencies you just mentioned and the locals, but once a month it is extended to include representatives from international interest that come.

Ambassador Rhinak from the Dominican Republic has personally attended those meetings on occasion. Ambassador Hyde from Barbados has personally attended those meetings on occasion. So the sense of participation and cooperation is a lesson for any of us to learn anywhere.

I would also suggest, however, sir, that there remains room to improve—I mean I'm a military guy and my sense of unity of command is one that is very important to the opportunity to do things well in such things.

We do continue to have, in my personal opinion, a bit of a proliferation of coordinative efforts going on. If you just name—JIATF West, JIATF East, JIATF South, High Intensity Drug Trafficking Area's [HIDTA's], and fill in the list, one can continue to imagine that there could be some continued progress with respect to a unity of effort, a unit of command principal to be followed. But as it relates to daily cooperation, in June 1996 San Juan and Puerto Rico are an example for all the rest of us to follow.

Mr. MICA. Thank you.

Mr. Pothier.

Mr. POTHIER. I can only briefly echo the comments of my colleagues.

We've had a long standing relationship with the FURA, which was mentioned earlier, the Forces for United Rapid Action. Through the good graces of the National Guard, our people have been permitted to operate at Ponce Salinas in the radar facility to help us have the eyes to be able to see the drug traffickers coming in by aircraft for a long standing.

We've had a very close working relationship in that regard with the Coast Guard. They provide, along with our people, the intelligence that helps us make some sense out of the air traffic coming toward the island, the marine traffic coming toward the island, and our special agent in charge work side by side. It's a good news story.

Mr. MICA. Thank you.

Well, I thank all of you.

I just want to close my comments—or questions with a comment: that we do want to hear from you all that are out on the front line, not just from the folks in Washington—the resources and the assistance that you need and the financing of the various programs, either through official communications or privately, to let us know, because we're committed to turning the drug war around and having a greater success.

The other, final point I want to make, I chair the House Subcommittee on Civil Service and oversee a lot of the Federal workforce. As chairman of that subcommittee, which is also in our full committee that's meeting here today—so, as chairman, I want you to take back word of how much we appreciate the efforts of

men and women who serve in your agencies and put their lives on the line, who leave their families and homes very often for extended times in this battle.

And we sometimes don't thank those who serve in those capacities, but I hope that on behalf of our full committee and the Congress, you can extend that to those men and women who serve with you.

And I'll turn the chair back now to Chairman Hastert.

Mr. HASTERT. Thank you, Mr. Mica.

Mr. Romero-Barceló, do you have any final questions or followup?

Mr. ROMERO-BARCELÓ. No, I just wanted to thank Mr. Jimenez, and Admiral Loy, and Director Pothier for their testimony and for their interest in all of the things that are being done here in Puerto Rico, and I hope that I can get that information as soon as possible. I appreciate it very, very much, and thank you once again.

Mr. HASTERT. Well, I thank this panel again for your excellent testimony.

And I want to thank again the Governor, the U.S. Coast Guard and the people of Puerto Rico, for hosting us and being so kind to us, and contributing their time to this important effort.

This will conclude our hearing on National Drug Control Policy in Puerto Rico. I thank all of you and this hearing is officially closed.

[Whereupon, at 12:20 p.m., the subcommittee was adjourned.]



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